



Play Fantasy Football
in tomorrow's 10p
Independent



Exclusive:
University and college
vacancy lists

See page 2 for voucher

Coming soon: details page 3

THE INDEPENDENT

3,063

TUESDAY 13 AUGUST 1996

WEATHER: Cloudy and cool

40p (IR45P)

Speak of the devil

Tory high command
resolute in campaign
to demonise Blair

ANTHONY BEVINS
Political Editor

The Tory high command defiantly maintained its campaign to demonise Tony Blair yesterday, with Defence Secretary Michael Portillo suggesting that the Labour leader was unfit to govern because he planned to "tamper" with the monarchy.

He said Mr Blair had already denounced the hereditary principle. Mr Blair is an improbable Beelzebub - leading article page 13

There is some high ground here which the Conservatives seem hell-bent on vacating - Donald Macintyre page 15

puerile exercise and when that vilifying draws on satanic imagery it is not only silly but potentially dangerous. "As the election draws near, I hope all parties will resist the temptation to go in for personal abuse and dirty tricks and concentrate on some of the important issues the country needs to consider at this time."

Tory sources dismissed the bishop's complaint, saying the poster showing Mr Blair with burning eyes was not intended to appeal to the "sneering, so-called intellectuals of Islington", but was a graphic way of making a point.

There is every indication that the Conservatives are adopting the American electoral approach - of going all-out for the man - because Labour's lead is so solidly based on the public perception of Mr Blair's honesty and trustworthiness.

Peter Mandelson, one of Labour's campaign managers, wrote in last night's *London Evening Standard*: "Tony Blair is a practising Christian and, by any standard, a man of decency and integrity. Whatever you think of his political views, to portray him as the devil is a crass, clumsy move."

"Nobody thinks he is evil and dangerous and Tory MP Sir Teddy Taylor this morning said he thought it was a mistake to go for the man in this way."

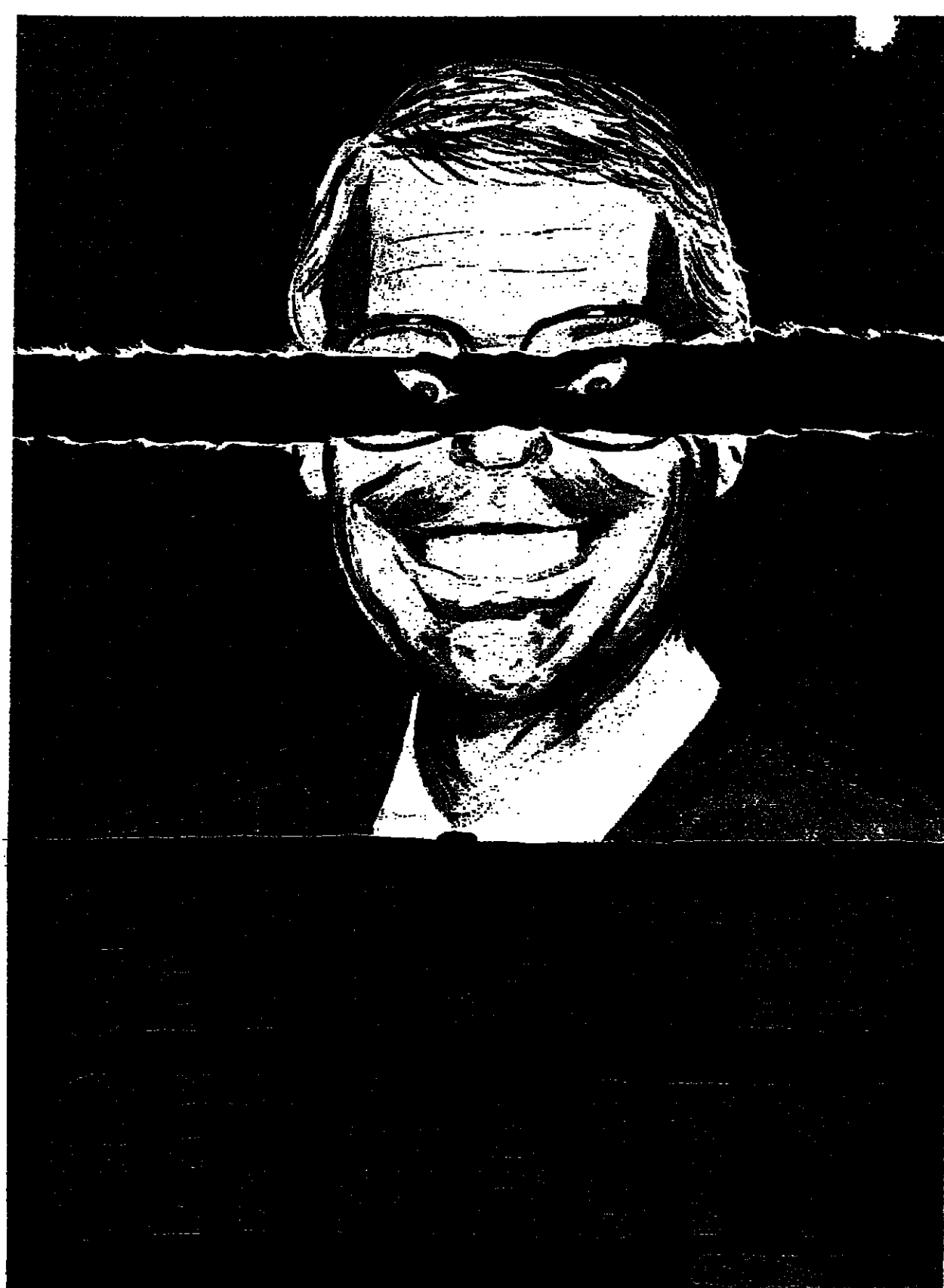
Mr Mandelson said the Tories had descended to the current level of political campaigning because they had nothing positive to say about themselves; the mud of gutter politics might stick, as it had done in the United States; and because "they feel more threatened by the appeal of Blair's reborn party than they have felt about Labour for more than a decade-and-a-half."

As Labour had become less and less easy to attack, he added, the Tories had become more and more desperate in their approach.

Mr Portillo said earlier, however, that the Tory strategy was working, and he defended the use of the controversial "New Labour, New Danger" poster.

"We have applied the symbol of the red eyes - which stand for danger - to Tony Blair in order to make the point that behind the smiles and the soundbites there are policies which are deeply dangerous to our country," he said.

Certainly, the nature of Labour's response suggests that the party is not taking any chances of letting the hard-hitting Tory campaign sink in with the electorate. Every word, every move is being carefully tracked and answered.



The eyes have it: Tories are defending their new poster

lowly candidate on the monarchy. Instead of the Labour candidate who had written for the Fabians, the party produced the words of the Conservative candidate for St Albans, former Treasury adviser, David Rutley.

Mr Rutley wrote in the mainstream Tory publication *Crossbow* some years back that he believed the monarchy should be put on some form of performance-related pay which could be based, in part, on the number of handshakes they delivered.

Driving home the party's response to the equally unimportant Fabian pamphlet, Labour frontbencher Frank Dobson delivered a prepared statement to yesterday's press conference.

"Tony Blair has consistently expressed his great admiration for the job that the Queen does on behalf of us all," he said. "There is no prospect whatever of a Labour government seeking to alter the political role or status of the Queen in any way."

The decision of the Tory committee members not to call for a ban on handguns is seen as clear political kite-flying to test public reaction.

There is little doubt that if the Cullen Report recommends such a ban the Government be hard-pressed to resist it in the face of the current public mood.

The Gun Control Network, which groups together relatives of the Dunblane and Hungerford tragedies as well as academics and lawyers, insisted: "This is no time for a timid response... It looks like a pre-emptive strike on behalf of the shooting lobby and, as such, should be dismissed."

Michael Yardley, a former army officer and leading author on weapons, said: "There has been lobbying, quite a lot as far as targeting the Conservative Party is concerned."

"But I think it's bad politics to have targeted the Conservative Party more than the Labour Party. The danger is that this becomes purely a party political issue and a manifesto issue for the Labour Party."

Apart from the behind-the-scenes lobbying at Westminster, gun groups have also adopted

more obvious techniques. The British Association for Shooting and Conservation, which has contributed £40,000 to the "fighting fund", is one of a number of such organisations to urge members to write to their MPs. A number of MPs report some fierce lobbying from local gun clubs.

The Gun Control Network, which groups together relatives of the Dunblane and Hungerford tragedies as well as academics and lawyers, insisted: "This is no time for a timid response... It looks like a pre-emptive strike on behalf of the shooting lobby and, as such, should be dismissed."

Drop deal on octuplets, doctor urges

NICHOLAS TIMMINS
and **REBECCA FOWLER**

The consultant responsible for attempting to deliver the eight embryos being carried by Mandy Allwood appealed yesterday to the *News of the World* newspaper to drop its exclusive deal with her.

He said there was an "almost zero chance" of Ms Allwood successfully giving birth to the babies, conceived with the aid of fertility drugs, and he appealed for her to be left in peace to decide her future away from the influence of the media.

Ms Allwood, 31, and her partner Paul Hudson, 37, from Solihull in the West Midlands, have reportedly sold their story to the paper for £1m, or £125,000 per baby, amid suggestions there was a sliding scale according to the number of embryos which survived.

Professor Kypros Nicolaides, head of foetal medicine at King's College Hospital, London, said: "It is absolutely imperative that within the next two or three days the publicity settles to allow her, her partner and medical team to make the right decision."

The safest option would be to reduce the embryos to two, he said.

The *News of the World* has denied operating the worst kind of "cheque-book journalism" and said that the contract with Ms Allwood was not a "step-by-step" arrangement. In a statement it also said if she chose to withdraw, the newspaper "would not for a moment stand in her way."

Stuart Kuttner, managing editor of the newspaper, said: "The last thing the *News of the World* would want would be for Mandy Allwood to take any risk to herself or to the children. We are not in that kind of business."

According to Max Clifford, the PR guru who is acting for Ms Allwood and Mr Hudson, the couple are giving priority to her health and that of the em-

bryos, at a private address where they are in hiding accompanied by a *News of the World* reporter.

Mr Clifford said: "They received money for the exclusive story, which they will get whatever happens. With regards to the future, it's got to be very flexible. She's hoping for eight healthy children."

He added: "She's also been told if she were to abort, and she doesn't believe in abortion, it might then kill the other children. But if it might also be a question of aborting two because that was the only chance of saving the other children. It's not a question of having eight children at all costs."

Leading fertility specialists yesterday resisted calls for greater regulation of routine infertility treatments of the type Mandy Allwood underwent.

The failure in Ms Allwood's case, they argued, was not one of regulation but of her apparent failure to take medical advice not to have sexual intercourse at a critical stage in her treatment. Some specialists were sceptical of her claims that she underwent the treatment behind Mr Hudson's back and queried why she was being treated for infertility at all.

Mr Robert Forman, clinical director of the London Gynaecology and Fertility Centre said Ms Allwood's treatment was a routine one which had been available for the past 30 years. It had produced the Walton sextuplets in 1983, and multiple pregnancies were a recognised risk, with about one in four successful treatments producing twins. Very high numbers of conceptions, however, were now "exceedingly rare" because patients took their doctors' advice about avoiding sexual intercourse if a large number of eggs were produced.

Unconventional life, page 4
Leading article, page 13
Media and morals, page 20

Gun lobbyists sue Dunblane police over lost business

MICHAEL STREETER

A gun lobby group yesterday announced plans to sue a Scottish police force for alleged negligence over the Dunblane shootings which they claim have cost their industry "millions" of pounds.

The Shooters' Rights Association, which represents gunsmiths and distributors, say the Central Scotland force should not have granted Thomas Hamilton licences for the weapons he used to kill 15 infants and their teacher last March. They claim that as a direct result of this failure on the part of the police the gun industry suffered lost orders and business.

Director Guy Savage said: "The Central Scotland police are the real culprits and have cost millions of pounds and affected thousands of jobs. We want to bring them to book over what they did; or rather what they did not do." Central Scot-

land police refused to comment on the association's claims. The announcement, which caused anger among anti-gun campaigners, came on the eve of today's publication by the home affairs select committee of its report on firearms controls and is part of pressure being exerted by the gun lobby in the run up to next month's Cullen report.

A fighting fund, set up by groups representing Britain's one million gun enthusiasts, has so far raised tens of thousands of pounds, some of which has been used to hire a top London PR and lobby firm, John Kendall Associates.

The moves are seen by many observers as a calculated attempt by the gun lobby and industry - thought to be worth £600m a year and employing up to 50,000 people - to influence key decision-makers at a time of great public anger over the abuse of firearms.

particular are thought to have been targeted. The six Tory MPs on the select committee are expected to come out against a ban on handguns in today's report, a stance which has already provoked public anger.

A senior Labour source on the committee told *The Independent*: "The gun lobby didn't come anywhere near me. They clearly have focused their attentions on the Conservatives and it appears to have worked."

Michael Yardley, a former army officer and leading author on weapons, said: "There has been lobbying, quite a lot as far as targeting the Conservative Party is concerned."

Conservative politicians in

CONTENTS

Section 1	BUSINESS & CITY	15-17
COMMENT		13-15
CROSSWORD		24
GAZETTE		12
LEADING ARTICLES		13
LETTERS		13
SHARES		20
UNIT TRUSTS		19
Section 2	ARCHITECTURE	10,11
ARTS		18,19
CROSSWORD		26
EDINBURGH		14,15
FASHION		12,13
HEALTH		6-8
LIVINGS		24,25
LIVING		4,5
MEDIA		20,21
RADIO		27
TELEVISION		28
VISUAL ARTS		16,17
WEATHER		25



WHEN YOU RETIRE
IT'S GOOD TO HAVE
AN INTEREST.
ESPECIALLY IF IT'S
7.25% INTEREST.

After years of working hard for your money Abbey National's Retirement Savings Bond can make your money work hard for you offering a guaranteed interest rate of 7.25% gross p.a. throughout the 5 year term. You can also choose to receive your interest monthly or annually whichever suits your needs.

But, this is a limited offer so don't delay. Call us free for further information on 0800 100 801 quoting reference A411B, or call into your nearest branch.

ABBEY NATIONAL

Opening times: Monday to Friday 9.00am to 5.00pm or Saturday 9.00am to 1.00pm. For your return and to open an improving your service to you we may record or monitor all calls to Abbey National Direct. The offer may be withdrawn at any time. To be eligible to open the Bond you must be at least 60 years old. Minimum investment £2,500. Maximum investment £75,000. No additional deposits will be accepted after the Bond is opened. No withdrawals or closure may be made from the Bond before 1.9.97. The Bond will mature on 1.9.2001. You may be able to register with us to receive interest gross; otherwise it will be paid net of income tax at the prescribed rate. See leaflet for full conditions. Abbey National and the Umbrella Cattle symbol are trademarks of Abbey National plc, Abbey House, Baker Street, London NW1 6XL, United Kingdom.

news

Union rift over Tube peace deal

LOUISE JURY

Today's threatened Tube strike was called off last night, but the possibility of future action has not been ruled out.

In a split between the two unions involved in the seven-week dispute, the drivers' union Aslef hailed a 35-hour week deal from London Underground as a significant victory, but the RMT transport union said it was being bought at too high a price.

However, both unions agreed to suspend today's strike -

scheduled to be the eighth in a series of stoppages, and the fifth joint day of action - and put the offer to members.

The move means for one day at least, the chaos that has brought misery to London's 1.6 million commuters will cease. Aslef general secretary, Lew Adams said he "anticipated a normal service".

London Underground welcomes the "path-finding deal". Managing director Dennis Tunnicliffe said: "This agreement is good for our customers, for London, for taxpayers and in-

deed for our train operators. Despite the inconvenience suffered by customers during seven strike days, this agreement provides a new and more stable industry relations climate."

The offer was the fifth option from London Underground and was presented to unions on Friday when they were unexpectedly called to a meeting at the conciliation service Acas.

It will secure the union's aim of a 35-hour working week by 1998, with a 1.5 per cent pay offer this year dropping to 2 per cent below inflation for the

following two years. It will also cut the maximum shift length from eight hours and 45 minutes to eight and a half hours.

Although the proposal sees an effective pay cut, Mr Adams said the dispute had never been over salaries. "This wasn't over money, it was about easing the burden on the members we represent."

The union had repeatedly offered to modify any pay claim in return for better working conditions to ease the stress of working underground. "I think we've achieved a victory. This is perhaps one of the

first of the public-sector trade unions to achieve a 35-hour week," Mr Adams said. "Unfortunately, in many respects one would have thought we could have come to this conclusion some two to three months ago."

However, Bob Crow, RMT's assistant general secretary, said his executive could not recommend the package. "There are some positive features, but the price of achieving the 35-hour week is high." Some conditions, such as working on rest days, were unacceptable, and

the pay bargain would hit retiring members particularly hard as pensions are based on final-year salary which could be 6 per cent less than it might be by the end of this deal. He added, however, that the union executive would abide by the decision of its 900 members involved in the dispute. The referendum will close on 21 August, two hours before the next planned strike.

Acceptance of the deal would end a dispute that has cost London Underground an estimated £25m every strike day.

Greetings from the South Coast - plenty to do here, especially paddling



A fireman uses an inflatable boat to ferry children in Folkestone after rain flooded several Kent coastal resorts. Six people were hurt when a shop collapsed in the town as a result of the deluge. The shop, in Blackhill Road, 'tumbled like a pack of cards', according to a spokesman for Kent Fire Brigade. Police described the situation as chaotic, while the fire brigade said they were receiving one emergency call every 25 seconds and had to set up a second line to deal with the calls. Photograph: Mike Pettis/PA

Clarke targets defence to fund tax cuts

COLIN BROWN
Chief Political Correspondent

Kenneth Clarke has set his sights on deep cuts in Michael Portillo's £21bn defence budget, as part of the spending squeeze to make way for tax cuts in the Budget.

The move has caused alarm among senior Tory backbenchers who see it as a fit of pique by the Chancellor over his failure to block a series of major

defence orders costing over £3bn. Mr Clarke wanted a thorough review of the defence orders for a Nimrod replacement, a "tank-busting" missile, and a "mini cruise" missile for the RAF. But he was overruled after the intervention of John Major.

Mr Major ordered Michael Heseltine, the deputy Prime Minister, to settle the row between the Treasury and the MoD, and Mr Portillo was given

the go-ahead to announce the orders for all three projects, securing thousands of jobs in the defence industries in the run-up to the general election.

But senior Treasury sources have told *The Independent* that Mr Clarke is determined to stage a fight-back in September, when ministers resume the hard bargaining over their budgets for next year.

The Chancellor, who will chair the Cabinet EDX com-

mittee on public expenditure, is keen to reduce defence spending in other areas. Tory MPs have already warned Mr Clarke that defence has been cut to the bone in recent years, and there is no more fat left. They fear that further cuts will result in a reduction in Britain's defence capability.

The MPs are planning to press their demands for spending to be protected in a full-scale defence debate in the week

the Commons returns after the summer recess. But Mr Clarke's friends believe that Mr Portillo, as a Thatcherite, should be expected to follow his principles by reducing his own budget.

Mr Portillo is arguing that he has gone ahead with the sale of married quarters homes, in the teeth of fierce opposition from Tory MPs, to give the Treasury an additional £1.6bn for tax cuts.

The MoD denied it was

spending millions of pounds of taxpayers' money upgrading and refurbishing the homes before they are sold. One report said an internal MoD memo had stated "the brakes are off" spending. But a statement said any repairs were within the budget already allocated.

The preferred bidder may be chosen this week with the final decision expected in early September. Four rival groups are in contention.

SIGNIFICANT SHORTS

Michael Heseltine, the Deputy Prime Minister, was urged by a right-wing think-tank to intervene and save the Government's flagship Private Finance Initiative from sinking under its own weight. In a report, the Adam Smith Institute said red tape and bureaucracy were putting off private firms from investing private finance in public sector contracts for roads, hospitals and prison schemes.

The report, *Settle the Initiative*, accused public officials of costing contractors millions of pounds as they dithered over details for buildings and services. The institute said Mr Heseltine should be called in to sort out the muddle. It proposed bringing in private sector managers to sharpen up the performance of officials, and limit PFI to a very few projects that were likely to be successful. *Colin Brown*

The possibility of life on Mars has prompted a very real boost in the number of visitors to the Natural History Museum, which is displaying one of only 12 known meteorites from the planet. Last Saturday, almost 8,000 people visited the museum in London, a rise of almost 25 per cent on the number at the same time last year.

Now, the museum is rushing to put together a new exhibition which will display a section from ALH84001 - the meteorite thought by NASA scientists to demonstrate that life once existed on the "red planet". It will go on show from Wednesday 21 August, with panels explaining its significance and reflecting the intense media coverage of the past week. *Charles Arthur*

After ten hours of complex legal argument, Guernsey's Bailiff, Sir Graham Dorey, has decided to reserve his judgement on whether or not the Crown can become a defendant in an action brought by the Barclay twins.

The multi-millionaire brothers, who have just moved into a £40m castle on Brecqhou, are seeking to remove their tiny Channel Island from the jurisdiction of neighbouring Sark - and its feudal inheritance laws. Sir Graham's decision is expected later this week. *Philip Jeanne*

Leading crime writer Brian Masters has been asked to name his sources for police interview material in his book on the trial of mass murderer Rosemary West. But the author - whose book is critical of the police and prosecution case against the Gloucester housewife - is refusing to say where he obtained details of the interviews with her husband and self-confessed murderer, Frederick West.

Gloucestershire's Deputy Chief Constable, Nigel Burgess, asked Mr Masters to reveal where he obtained "unused material" from police investigations. Such material is normally only revealed to legal representatives and not in the public domain as part of the legal hearings connected with the case. Mr Masters told the police that only a "few passages" involved the taped police interviews. He would not say where he obtained the material, but only that no police officer was involved.

A jumbo jet made an emergency landing after a passenger alerted air crew to a crack in the wing. An official report revealed yesterday. The traveller noticed the split in a fibre-glass panel as the British Airways 747 reached 15,000ft after take-off. He reported the fault to crew on the 26-year-old jet bound for Boston from Heathrow airport.

After inspection, the flight engineer told the captain the crack looked "bad" - and the pilot decided to return to Heathrow, 90 minutes after taking off. The captain told investigators he was worried the panel could fall off and damage the plane or hit people on the ground. He was also concerned about "unnerving" the passengers, who still had five hours of their journey to complete. The aircraft made a low-level emergency call and landed safely at Heathrow after spending 20 minutes dumping fuel. A spokesman for British Airways described the fault as "minor" and said the aircraft had returned to Heathrow as a precaution.

Tory voters in Michael Portillo's London constituency are threatening to abandon their support for the Secretary of State for Defence at the next election if he fails to support them in a planning dispute with his local party. Enfield Southgate Conservative Association wants to sell the building that contains its headquarters to burger chain McDonald's for a rumoured £325,000.

But thousands of residents are backing a campaign against the take-away and are seeking their local MP's support. Mr Portillo has to tread carefully to avoid upsetting his local party association, which wants to get the best deal for party funds, and the 2,000 objectors who say the restaurant will bring noisy traffic to a residential area.

The film *Independence Day* broke box office records last weekend, in a repetition of its US success. The science-fiction thriller, which depicts the destruction by aliens of New York, Washington and Los Angeles, took nearly £7m in 434 cinemas when it opened in the UK. The £6,996,000 ticket sales were 40 per cent higher than the previous record of £4,875,000, set by *Jurassic Park*.

THE INDEPENDENT ABROAD

AUSILE		OVERSEAS SUBSCRIPTIONS	
Australia	£34.40	Belgium	£34.40
Canada	£49.00	Canada	£49.00
France	£34.40	France	£34.40
Germany	£34.40	Germany	£34.40
Italy	£34.40	Italy	£34.40
Japan	£34.40	Japan	£34.40
Netherlands	£34.40	Netherlands	£34.40
Spain	£34.40	Spain	£34.40
Sweden	£34.40	Sweden	£34.40
Switzerland	£34.40	Switzerland	£34.40
USA	£34.40	USA	£34.40
UK	£34.40	UK	£34.40

Use this voucher to try our 12-page Summer of Sport pull-out this Wednesday

THE INDEPENDENT for only 10p on Wednesday

To the Reader: Hand this voucher to the newsagent with a copy of the Independent on Wednesday 14 August 1996 and pay only 10p (Home delivery customers have until 11 September 1996 to present this voucher to your newsagent). If you have any problems redeeming your voucher, please call telephone 0200 686 621.

To the Retailer: Please accept this voucher as part payment for the Independent on Wednesday 14 August 1996. (Voucher pays 10p). To receive your normal terms plus a 2p handling fee, please provide your voucher, its name and your box no. and return the completed voucher to your wholesaler by 11 September 1996. This voucher is not to be used in conjunction with any other offer - it is valid for The Independent only.

To the Wholesaler: Please credit the returning retailer with 22p (RCL 37p). This includes 2p Retailer Handling Allowance per voucher. To receive your credit together with the wholesaler handling allowance, please send to Voucher Redemption Ltd, 17 Orion Court, Cranston Park Rd, Basildon, Essex SS14 3DB.

Reader's name _____ Address _____

Box no. _____

Ref: SP7W10P 9 906480 120300

FREE
If your home insurance company doesn't deliver these **MOVE**

Find out if you're missing out. Ask the following questions:

1. Can I pay by interest free direct debit?
2. Do you offer a no claim discount on home contents insurance?
3. Do you have a free 24 hour helpline?
4. Will my cover automatically increase over Christmas and before and after a family wedding - at no extra cost?
5. Does your cover offer a 'new for old' replacement policy?

6. Can I cut the cost by up to a further 30% with your discounts?
7. Will I receive automatic accidental damage cover for my TV, video and stereo?
8. Do you offer free legal advice?

If the answer is anything other than a straight yes, you're talking to the wrong people. So make a move to the right people. Call Eagle Star Direct today, and get a free home decorating tips book with your quote.



EAGLE STAR
Direct

0800 333 800

*offer down 30% only. Only people who qualify for a quotation will be entitled to a free book. Offer is subject to availability and limited to one per person. Offer 10 days for delivery. Not available in Northern Ireland. For your protection your quote will only be issued if you provide your name and address. Eagle Star Insurance Company Limited. Registered in London No. 12345. Registered office at 10 Mary Lane, London EC4A 3DF.

Exam board denies easy grades at GCSE

JUDITH JUDD
Education Editor

Exam-board officials said yesterday that reports of candidates who scored 14 per cent being awarded C grades at GCSE were wrong - the true percentage grade was much higher.

Officials at the Southern Examining Group refused to give the percentage needed for a grade C, the equivalent of a pass in the old O-level exam, but said it was "nowhere near" the figure being quoted.

Mathematics papers are divided into three levels of difficulty, and the paper in question was the most difficult. It is understood that the true figure corresponds closely to last year's grade C passmark for the hardest level in several subjects: 38 per cent in double science and 42 per cent in biology.

The board says that the mark for grade C in the most demanding maths exam was low-

ered this year, because candidates had found the paper so difficult. The School Curriculum and Assessment Authority insisted that the original exam was changed because it was not hard enough. The authority has asked for a report from one of its officials who was an assessor at the meeting at which the decision to lower the grade C mark was taken. Ministers have yet to decide whether to request an inquiry into the marking of the paper.

The dispute is bound to fuel the controversy about exam standards which will intensify on Thursday with the publication of this year's A-level results. The pass rate is expected to rise again. GCSE results are out next week.

The examining group pointed out that changing the mark required to achieve different grades was common practice. The aim was to ensure that candidates were not penalised if a

paper had been more difficult than in previous years. Marks for a grade might change but standards did not. In addition, the mark required to achieve each grade varied from subject to subject. In English, last year, a grade C in the most difficult paper required 65 per cent.

George Turnbull, a spokesman for the group, said: "There is no magic raw mark which says that you have a grade C or B. If the exam is easier this year than last year, more people would get 50 per cent."

A spokesman for the School Curriculum and Assessment Authority said: "We shall be scrutinising this year's results ... and checking that the Southern Examining Group's results are comparable in standard to those of other boards."

The official UCAS listings of places available this year through clearing will appear exclusively in *The Independent* starting on Monday, 19 August.

Parade deadlock resolved

DAVID MCKITTRICK
Ireland Correspondent

An overnight parade stand off in the Co. Londonderry village of Bellaghy ended peacefully yesterday morning, when loyalist marchers and Catholic residents compromised on a curtailed route.

Following more than 15 hours of deadlock, 400 members of the Royal Black Preceptory, led by a single band, marched along the village's main street to the local Orange hall.

Rows of police in full riot gear stood by, together with crowds of local nationalists, as the pa-

rade was halted before it reached a mainly Catholic section of the village.

Afterwards, both marchers and Catholic residents laid claim to a moral victory, while the RUC described the outcome as a victory for common-sense. RUC Deputy Chief Constable Ronnie Flanagan personally supervised the police operation.

The Royal Black Preceptory, known popularly as "the Black" and "the Blackmen", is closely related to the Orange Order, the main Protestant marching organisation. It is regarded as a senior branch of the Order,

and has been described as the conservative face of Orangism.

All sides are now taking stock of a marching season which included the traumatic stand off at Drumcree, Co. Armagh last month. A three-person committee has been appointed to carry out a review of the parades issue in time for next year's marching season.

Meanwhile, a sectarian motive is suspected in the murder of a Catholic youth who was buried yesterday. John Molloy, who was 18, was found dying in a north Belfast street early on Saturday morning. He had been stabbed repeatedly.

THE INDEPENDENT

AWAITING YOUR A-LEVEL RESULTS?

INDEPENDENT ON SUNDAY

THIS THURSDAY IS THE FIRST DAY OF THE REST OF YOUR LIFE

The Independent and the Independent on Sunday will again this year be the only papers to run all the official UCAS lists of university and college vacancies.

Other papers will claim to carry them, but they will only carry a selection, not the full list.

This Thursday, 15 August, we will provide the leading guide to your next steps after A-levels.

Then, from 19 August we will publish the lists in full, and update them twice a week until mid-September.

Make sure you order your Independent now.

UCAS



Is the tobacco trade going up in smoke?

£500,000 award for cancer victim rocks market but big firms say they will win appeal

JOJO MOYES and NIGEL COPE

Billions of pounds were wiped off tobacco shares yesterday after the first successful lawsuit by a former smoker.

On Friday a Florida jury decided in favour of a retired air-traffic controller, Grady Carter, and his wife, Millie, and against Brown & Williamson, a US offshoot of the BAT tobacco multinational. The jury awarded the couple £500,000 after Mr Carter, 66, who got lung cancer after smoking for 44 years, claimed the cigarette maker had been negligent in not warning him of health dangers.

Yesterday at least £1.4 bn was wiped off the value of BAT Industries shares as the stock market absorbed the impact of the ruling against the tobacco and insurance conglomerate. By the close of business yesterday, its shares had plunged 9 per cent to 464p.

In the United States, shares in other tobacco manufacturers such as Philip Morris also fell

steeply. While BAT and some analysts expected the decision to be overturned, others said shares might fall further as the market assessed the prospect of a torrent of litigation.

"Nobody knows whether the flood-gates might open," said Simon Willis, an analyst at the stockbrokers Charterhouse Tilney. There are about 200 similar cases pending against to-

Juries have taken the view that hazards are so well known that smokers do so at their own risk'

bacco companies and it is possible the Carter ruling will encourage other smokers to file suits.

The verdict compounds a period of increasingly bad PR for the industry. In the US, nine states are suing tobacco companies, seeking reimbursement of costs to cover smokers' illnesses, with predictions that up to 11 more will have filed by the end of summer. A lawsuit from Texas says the defendants are among "the worst of civiliza-

tion's evil empires", engaged in criminal violations of federal racketeering, conspiracy, mail and wire fraud laws.

In Hong Kong, BAT is involved in a case involving the illegal export of \$HK8.5m (£708,000) in cigarettes to China and the attempted bribery of former BAT officials. The case gained widespread publicity when a man due to take the

stand as a prosecution witness was murdered in Singapore.

ASH, the tobacco control pressure group, is among those who believe the latest verdict could be a watershed.

"We're delighted with the decision. The argument that was used is quite similar to what lawyers in Britain were hoping to use. It shows the tobacco industry does have a case to answer," said Monica Bhaumik, a spokeswoman. But she admitted that unless

the tobacco industry was crippled by multi-party actions, it would simply refocus its energies, concentrating on the emerging markets and upping the emphasis on its "acceptable face", with sponsorship and advertising.

In Britain, for example, BAT "sponsors" two schools, providing teachers, a technician and five assistants at Archbishop

Ramsay school in Southwark and more than £2m in six years of sponsorship for the Macmillan City Technology College in Cleveland.

Last month Cambridge University agreed to allow the company to sponsor a £1.5m chair. "It buys them credibility if they can get Cambridge University to lend its good name," said Ms Bhaumik. "And it undermines all the work that parents and teachers do to encourage the children not to smoke, if schools

are being financed by the tobacco industries."

According to Judith Mackay, of the Asian Consultancy on Tobacco Control in Hong Kong, tobacco companies "could not be doing any more" in terms of penetrating new markets.

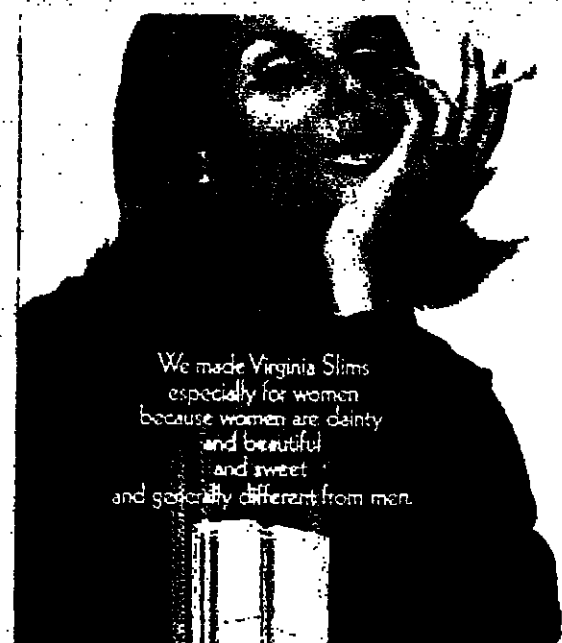
"The citadel is crumbling a bit ... but they are saying very strongly that the latest case has nothing to do with Asia. They have identified a developing market in Asia and are predicting a 33-per-cent increase there." In China there are 300m smokers, with a predicted rise to 500 million by 2000. "The reason they're so interested is because we're on an economic roll ... as opposed to places like India and Africa."

Dr Mackay said that there was less risk of litigation for the industry in Asia, because it not only provided employment but many governments were involved in the state manufacture of cigarettes.

"The biggest tobacco company in the world is actually the Chinese government - the for-



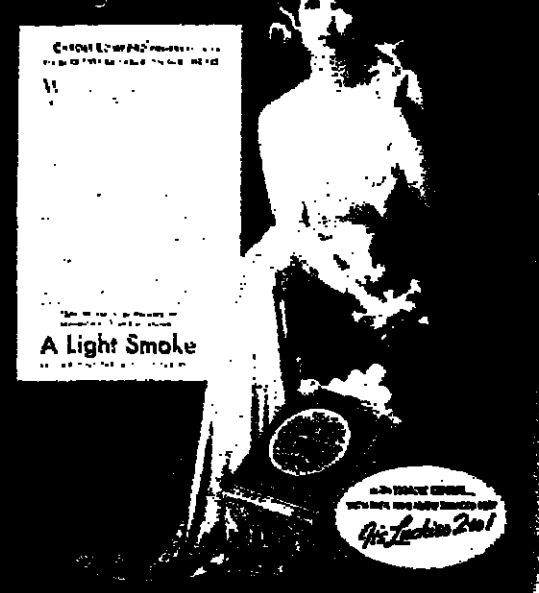
Do you want a cigarette more than you want your baby?



We made Virginia Slims especially for women because women are dainty and beautiful and sweet and generally different from men.



Her Singing Coach Advised A Light Smoke



A Light Smoke



BELIEVE IN YOURSELF!

Don't test our brand alone... compare them all!

NO CIGARETTE HANGOVER

Smoke signals: How tobacco prompted a thousand campaigns, for and against. At top right is Marlboro Man, Wayne McLaren, killed off by cancer at the age of 51.

THE DEADLY TOLL



	Cigarettes smoked per head, 1990	World Rank
Cyprus	4831	1
Macau	4734	2
Malta and Gozo	3968	3
Lebanon	3560	4
Greece	3554	5
Cuba	3382	6
UAE	3218	7
Hungary	3177	8
Brunei	3158	9
Japan	3081	10
US	2605	17
Ireland	2417	22
France	2099	30
UK	1945	34
Norway	830	85

Cigarette consumption per head of the adult population (15-years-old and over) in 128 countries

Lies, damned lies and statistics

YORK PIAHN

Compiling accurate statistics on the extent of cigarette smoking is not as straightforward as one might think.

While some basic information is commonly provided by governments, customs and excise agencies and health organisations in a particular country, there are often social, economic and cultural influences at work which make the real picture more difficult to see.

For example, in some cultures, smoking by women remains largely proscribed, so the given data for those nations would exclude female smokers.

In addition, cigarettes that are brought into a country by smugglers (and therefore not subject to Government taxes or levies) can not be controlled, or even counted. Smuggling of cigarettes is known to be endemic in many poorer African and Asian countries, like Algeria, Nigeria, Pakistan, Zimbabwe or China. In addition, the abolition of many internal restrictions on trade in the EU, and the collapse of the former Soviet Bloc, have presented a golden opportunity for racketeers.

Expressing cigarette consumption as "cigarettes" rather than as "grams of tobacco" leads to another problem. The quantity of tobacco stuffed into a cigarette differs from country to country, and within each country it can often differ from year to year. While in 1982 the average weight of 1,000 Australian cigarettes was 823 grams, by 1991, this had fallen to 715 grams.

And as if these discrepancies were not enough, the available data only talks about cigarettes *per se*, thereby excluding any other tobacco-based products. So in Norway, a country where rolling one's own cigarettes is particularly popular, the 3,500 tonnes of hand-rolling tobacco consumed in the year of the survey don't appear in the figures.

Nevertheless, regardless of how the statistics are compiled, evidence about the long-term health risks of smoking is considerable. One person dies from lung cancer every minute of every day in the UK; nine out of every 10 cases are caused by cigarette smoking.

The Greeks, however, represent something of an anomaly here. Despite holding the unenviable fifth position in the world ranking of smoking nations, they display a surprisingly low rate of cancer and a low rate of heart and respiratory disease.

They do, it is true, consume a lot of fresh fish and olive oil, both foods full of polyunsaturates, and associated with good health, but does their diet counteract the effects of tobacco and offer a way out to millions of smokers in other countries?

Sadly, Karen Williams, of ASH, the tobacco control pressure group, thinks not. "The current number of ill people represents the men and women who consumed lots of tobacco in the past, say the Fifties and Sixties. So the results of a high percentage of people smoking in a particular country now will only be seen years in the future."

WITH OUR COMPLIMENTARY GIFT, INDULGE IN THE MAGIC OF

GIVENCHY

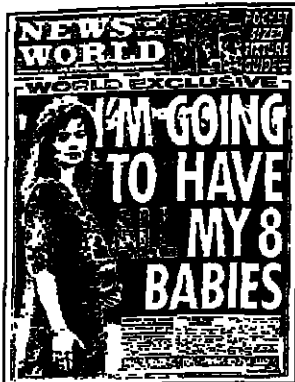
Treat yourself to an Amarige or Ysatis 50ml Eau de Toilette Natural Spray and receive a refined, feminine and refillable Purse Spray which will enable you to enjoy the magic of Amarige and Ysatis wherever you may be.



Gift with the purchase of an Amarige or Ysatis 50ml Eau de Toilette, or goods to the same value. Available from department stores, larger branches of Boots, perfumeries and good chemists, while stocks last.

news

Mandy, her lover, the publicist and the doctor: it has the tragedy and farce of a Mike Leigh film



The mother expecting eight babies leads an unconventional life, Rebecca Fowler reports

They called it a "miracle" as Mandy Allwood, 31, proudly clutched her swelling belly. She has already chosen names for the precious bundle of eight babies she is carrying, conceived with the aid of fertility drugs. They include Cutie, Chas, Devin and Buster.

But as she glowed with maternal pride, the octuplets have emerged as one of the greatest ethical tests of man-made science over nature. If doctors are going to play God, whom do they decide to bestow their scientific miracles upon?

The spotlight has fallen on Ms Allwood, from Solihull in the West Midlands; her partner, Paul Hudson, on £47 benefits a week since his lettings business collapsed; his mistress and her two sons whom he fathered; Ms Allwood's ex-husband,



In the spotlight: Mandy Allwood and Paul Hudson flee from a restaurant as interest grows in their story, told for a price the "News of the World" (top left) Photograph: Tim Merry

by whom she has a five-year-old son, Charles; and a trail of other complex domestic arrangements.

In the midst of it all, Ms Allwood, the latest client of the PR guru Max Clifford who is negotiating deals with the media for her and Mr Hudson worth up to £1m over two years, declared: "I am the happiest woman in the world."

In a scenario as potentially tragic and farcical as a Mike Leigh film, the story of how the octuplets were conceived began at Liberty's night-club in the West Midlands. There Ms Allwood and Mr Hudson, 37, went on their first date after they met when she was a general manager with General Accident Property Services near Solihull.

Ms Allwood was still married to Simon Pugh, who ran a

plastering business. She was in charge of lettings for General Accident, including the renting out of several of Mr Hudson's flats. The couple say they did not take to each other on the first meeting but he admired her professionalism.

He asked her to work for his business, Lichfield Estates in Erdington, Birmingham. She was given a £1,000-a-month salary and a company BMW, and romance began to surface.

In 1994 she divorced Mr Pugh after eight years of marriage. The year before she had had an abortion after being treated with drugs following a car crash. Mr Pugh now lives with his childhood sweetheart in Shirley in the West Midlands. He intends to seek custody of his son. "My son is in the middle of an extremely bizarre

relationship," Mr Pugh said. "God knows what ideas are now filling his head about what family life is supposed to be like."

For a while Ms Allwood and Mr Hudson had enjoyed entrepreneurial riches. They had matching BMWs in silver and gold. But Mr Hudson's business collapsed and the couple went bankrupt last year. Her dream of having a child with him appeared to have ended when she had a miscarriage on Christmas Eve.

Ms Allwood says she has never resented Mr Hudson's decision to continue spending two nights a week with Maria Edwards, 28, his former girlfriend who lives in a council house in Hinckley, Leicestershire, with his two sons Zack and Kane, and her daughter.

Ms Edwards went on a holiday to Blackpool with Mr Hudson and their children two weeks ago, shortly after he discovered Ms Allwood was pregnant. Mr Hudson explained that he was a "free spirit" and Ms Allwood explained that she accepted the arrangement.

"Maria is not going to go away and I'm not going to stop Paul from seeing her, so I may as well accept it," she said. "We're both fiercely independent and that is one of the things that attracted me to Paul in the first place."

Mr Hudson said: "I'll never desert Maria or Mandy. But I couldn't live with either of them. I'm too in love with life to do anything else. I don't believe that makes me a bad dad. My kids are my life, my number one priority... I'm determined to support them, no matter how many babies survive - I'll be there for them."

The conception of octuplets



Babe in arms: Mandy cradles her son Charles, now aged 5, by Simon Pugh, who she divorced two years ago

was a shock for Mr Hudson. He had not been aware that Ms Allwood had taken two doses of a fertility drug or that she had reportedly ignored doctors' advice not to have sex at a critical time in the treatment. He asked her to consider an abortion before they discovered she was carrying eight babies.

Ms Allwood's father, from whom she is partially estranged, was surprised by the arrange-

ment. Brian Allwood, 60, an electrician, said: "I have been to her home only once, several months ago, and I cannot even remember which road it's on."

In the meantime, Mr Hudson has adapted to his new role as the father of eight unborn children, and the couple, who are staying at a secret address, are coping with the media attention well, Mr Hudson said. "Our eight babies were

obviously meant to be."

They are also relaxed about their life and times unfolding for all to see, according to Mr Clifford. "They were totally aware of what was going to happen in the media, ex-boyfriends, ex-girlfriends - they're not shocked," he said. "They have been very open about the whole thing. We sat down and talked it all through in Wimbledon village. Mandy is totally aware of

Paul's lifestyle and Paul is totally aware of Mandy's lifestyle."

He added: "Mandy just wants to do what is best for the babies now. But if she can have eight healthy children, that's what she wants to do. The most important thing is the health of the babies and the health of Mandy. It's not a question of having eight babies at all costs, it's a question of if she can have eight healthy children she will."

Treatment free of restrictions

NICHOLAS TIMMINS
Public Policy Editor

No rigid rules or legal restrictions cover the type of infertility treatment Mandy Allwood appears to have received, medical organisations said yesterday - the decision over who should be treated lying with individual fertility specialists.

The Human Fertilisation and Embryology Authority's rules cover only IVF and related treatments and sperm donation, not the more routine use of fertility drugs simply to stimulate the ovaries. The authority's code of practice lays emphasis on the welfare of the child but does not rule out the treatment of single women, stressing however that a woman's husband or partner will be the legal father.

The General Medical Council would only act in cases of serious professional misconduct and the British Medical Association yesterday declined to become involved, stating that any question of guidelines was a matter for the Royal College of Obstetricians and Gynaecologists.

The RCOG's guidelines state that treatment with fertility drugs "should be restricted to appropriately investigated couples" and that "welfare of any resulting child from the treatment and of other existing children must be considered".

John Friend, a vice-president of the college, said: "We think couples should be counselled together and made aware of all the possible problems that multiple pregnancies can produce

where this sort of induction of ovulation is taking place. It would be unusual not to have the male partner involved at some point."

But he told BBC Radio's *World at One* that the college "is not in the business of disciplining. We are trying to increase and raise standards all the time, but they are guidelines not protocols. There may be particular situations where they are not applicable... but we hope our fellows and members have read them and do use them."

Mr Friend said however that he understood that Ms Allwood had been advised not to conceive during that particular monthly cycle, advice which if she had taken "this would not have happened".

Travel as many times as you like from £59 a year.

Take out American Express annual travel insurance and you can make £59 go a long way. Because one payment means you can take an unlimited number of trips throughout the year.

And now you don't have to be an American Express Cardmember to enjoy the reassurance of international cover from an international company.

Our insurance covers almost every eventuality; not just medical matters but baggage loss, theft of personal property, legal expenses and travel delay. You can also choose from a range of policies - just look at the examples below.

Travel Insurance Rates

	Individual	Family 2 adults & 2 children
Single trip cover Europe up to 17 days	£26.50	£57.00
European annual cover Up to 31 days per trip	£59	£95
Worldwide annual cover Up to 31 days per trip	£89	£127

Annual cover includes 17 days winter sports cover, saving you around £55.

To enrol, call the numbers below between 9am and 8pm quoting reference IG.

0800 700 737

Insurance Services

call

USA

for only

OFF PEAK TIMES: 2am - 2pm 20p per min

per min

For details call

0800 279 0800

20% OFF

40% OFF

60% OFF

★ easy instant connection

★ free access to our exchange

★ fantastic global rates

please have your credit card ready

operators are standing by 24hrs a day 7 days a week

Election battles: Tories attack Blair as Fabians target the monarchy Why voters won't believe that Labour is led by a demon

ANTHONY BEVINS
Political Editor

"What do the Tories do next?" one of Labour's most hard-bitten spin-doctors asked yesterday. "Are they going to suggest that Blair eats babies for breakfast? It is absurd. Blair as the devil incarnate does not wash, and it will not work."

But all the signs are that the Conservative campaign to demonise Tony Blair is an act of desperation. As such, it will be maintained simply because the Tories have no other weapon in the armoury.

The daunting nature of the Tory task - to convince the voters that they have more to fear from Labour than they have from the re-election of John Major - was illustrated by the results of a Gallup poll, buried in yesterday's *Daily Telegraph*.

At the latest count, Gallup's average fear factor of a fifth



In 1979 the Tories targeted issues; now its people

Tory term was 66 per cent, compared with just 36.5 per cent for Labour. The highest level of public concern about Labour was 52 per cent; a bare majority who thought that inflation might rise sharply.

However, that concern was put into context by the 10 concerns of voters about the Tories which scored fear ratings of between 54 and 83 per cent, including three-quarters of those questioned who felt that even

if another Conservative government did deliver tax cuts, "people might have to pay more towards things like health care, pensions and education".

On the basis of Gallup's findings, the negative Tory campaign warning of New Labour, New Danger appears to have made little or no impact whatsoever.

That result would coincide with the fashionable view that negative campaigning does not work. But it certainly appeared

to work against Neil Kinnock in the last election campaign, when Conservative campaign managers geared everything they did to "tax and Kinnock".

But while the attacks on Mr Kinnock's policy changes, and his "unreliability", worked with the grain of public feeling about the man, there are no such fears about Mr Blair; the Tories are trying to create fears where few exist. There is little new in that: they turned Mr Kinnock into a boogymon, and they frightened the children with Tony Benn during the Eighties. In the 1951 election campaign, they harped on the threat posed by Aneurin Bevan as an evil dictator ready to take over from Clement Attlee.

But there is no germ of electoral fear about Blair, as there was about Bevan, Benn and Kinnock. The Tories are relying on the voters' gullibility. It is a measure of their desperation that there is nothing else left.

'Dirge-like' anthem hitting the wrong note

CLARE GARNER

If the Fabian Society has its way, Britain will kiss goodbye to the "dirge-like tune" that is its national anthem and march into the next century singing a stirring song by Andrew Lloyd Webber.

Paul Richards, author of the left-wing think tank's controversial document *Long to Reign Over Us?*, has called for a Eurovision Song Contest-style event to pick alternatives. "God Save the Queen", which "doesn't mention Britain, or even England once", is "more about bashing the Scots than anything else," he said.

The prospective Labour candidate for Billericay and member of the Fabian Society Executive Committee wants a new "exaltation of nationhood" with words by the Poet Laureate, Ted Hughes, and music by Lloyd Webber, to be commissioned to mark the millennium. He also suggests the English should have a separate anthem - "Patriotic hymns such as 'I vow to thee my country' or 'Jerusalem' would fit the bill admirably," he said.

"Britain's national anthem is something of an embarrassment in a modern age, not least because of the dirge-like tune," he said. "For a start it is an English song, not Welsh or Scottish or

Northern Irish. Scotland and Wales have their own anthems 'Flower of Scotland' and 'Men of Harlech', both robust celebrations of slaughtering the English."

The situation really hit home during *Euro 96* when "a lot of people" were embarrassed "that we didn't have a good, strong song with which to support our side other than 'Football's Coming Home'", he said.

Lloyd Webber was not inclined to tinker with the national tune. His spokesman, Shimon Cohen, said he had "no interest whatsoever" in the "very silly idea". "He's a monarchist, he's very loyal to the Queen and

has no complaint whatsoever with 'God Save the Queen'." A senior Labour Party spokesman called the suggestion that the national anthem may change "sheer fantasy". And Ted Hughes declined to comment at all.

The constitutional expert Vernon Bogdanor felt that a little fine-tuning was all that was needed. "The one I like best is the Benjamin Britten orchestration," he said. The Tory peer and novelist Jeffrey Archer said he would be loath to change the present anthem. Having heard the recent Russian and Australian efforts at revision, he said he would prefer to "stay still".



NICHOLAS SCHOON
Environment Correspondent

Five young ospreys have been released at Rutland Water, Leicestershire, one of Britain's biggest reservoirs, in the hope that the rare fish-eating eagles will begin breeding there.

Ospreys have not raised any young in England since 1842, due to persecution by man. They began to nest in Scotland after a long absence in 1954, and the population north of the border now stands at 100 breeding pairs.

way back to Scotland from wintering in West Africa. The local wildlife trust and Anglian Water built artificial nests in the hope of persuading them to stay, but in vain. In a further attempt to establish the birds, seven chicks were taken from nests near Inverness last month, with the permission of Scottish Natural Heritage, and brought to Rutland.

Five of the birds have taken to the air so far but one of these has been found dead. After nervous starts, the other four flying birds have been learning to fish, diving at high speed into the water.

A few young birds have visited Rutland Water on their

Photographs: Brian Harris

ANTHONY BEVINS
Political Editor

The "shameless greed" of water company bosses was condemned by Labour spokesman Frank Dobson yesterday, after he had exposed details of a new £20m pay and perks package for the industry's directors.

The Labour analysis of the pay and perks awarded to 95 directors of 10 water companies values them at £20,084,084, when the value of executive share options and new, long-term incentive plans are added to total salaries for 1995-96.

Away in the lead are the 18 directors of two companies, Southern and United Utilities, who share a total package worth almost £7m.

Labour estimates that William Courtney, the executive chairman of Southern - who ceases to be a director at the end of the year, following the takeover of Southern by Scottish Power - is currently on a pay and perks package worth more than £1m.

A valuation of £954,905 is put on the pay and perks of Sir Desmond Pitcher, chairman of United Utilities, who is one of numerous water bosses to be put into a long-term incentive plan.

In Sir Desmond's case, the plan offers him the prospect of 87.5 per cent of basic salary - which works out at £223,650 - on delivery of certain conditions. Sir Desmond is also on a short-term incentive plan, offering him a further annual payment of 40 per cent of basic salary, or £107,240.

Mr Dobson said yesterday:
"The water company bosses

have no shame. After public criticism discredited the share options they awarded themselves previously, they've come up with a replacement – which gives them even more money.

"On top of the now customary high level of pay and perks, they are setting up a new scam — long-term incentive plans — to give themselves new bonuses if they hit targets they have set themselves."

The Labour frontbencher said that in most cases, targets were about financial performance and had little to do with customer satisfaction – and nothing whatsoever to do with the companies' pollution records.

Mr Dobson's calculations also excluded proposed long-term incentive plans that have not yet been introduced by Yorkshire and South West Water and, following the French takeover of Northumbrian Water, that company will not even disclose whether it has a bonus scheme at all.

"All this shows that the water industry, recklessly privatised by the Tory Government, is going from bad to worse."

He said that not only were the industry bosses paying themselves more and more, but useful staff were being laid off, companies were making record profits and pay almost no tax because of the terms of the privatisation deal.

Companies were being fined for polluting the environment, the public was being pressured into accepting water meters – and ministers were programmed to defend all the excesses of the water industry leaders, Mr Dobson added.

Mermaids Explained

By Christopher Reid

*-As he read the reports,
he saw at once
that all the mermaids
were dugongs or dolphins.*

*Their tresses were garlands
of sea vegetation,
or the billows they made
as they swam far off.*

*And what of the songs
that could lull and lure
impetuous mariners
to their downfall?*

*A tinnitus compounded
of wind and birds' cries
and something on the brain
too wicked to think about.*

Christopher Reid has been Poetry Editor at Faber & Faber since 1961, but is a published poet in his own right. *Arcadia* was published in 1979, followed by *Pea Soup* in 1982. Since then, there have been three collections for Faber – *Kaerina Brac* (1985). In the *Echoey Tunnel* and *Expanded Universes*, published early next month, and from which this poem is taken. He has been awarded a Cholmondeley Award by the Society of Authors for his contribution to poetry.

Available
until August 31st

Mot

- Power steering.
- Electric front windows.
- Driver's airbag.
- Safeguard immobiliser and perimeter alarm.
- Remote control central double locking.
- Power heated door mirrors.
- Metallic paint (Juice green & Mistral blue).

MONDEO 1.8i Verona	Typical example
Mileage (per annum)	12,000
Recommended Retail Price*	£12,950.00
Estimated on the Road Price**	£13,585.00
Deposit (30%)	£4,075.50
Balance	£9,509.50
Total Charge for Credit***	£1,134.90
Total Amount Payable	£14,719.90
Term (months)	25
Number of Monthly Payments	24
Monthly Payments	£214.60
Optional Final Payment to Purchase (Minimum Guaranteed Future Value)†	£5,439.00
APR	7.5%

To find out more about Options visit your local Ford dealer.



***Recommended Retail Price including VAT** at 17.5% as at 1 June 1996** includes £635 on the road costs for delivery, 12 months road fund licence and estimated costs for fuel and number plates. ***Total charge for credits includes an admin charge of £35 (incl VAT), payable with the first monthly payment. Further charges may be made subject to mileage and condition if the vehicle is returned at the end of the finance agreement, 1.8 (6w petrol model shown), 1.8 (Turbo diesel) available at £14,185 on the road. APR 7.5%. Written Options quotations are available upon request from Ford Credit Europe plc, PO Box 46, Brentwood, Essex, CM13 3AR. Guarantees and Indemnities may be required. Finance is provided subject to status over 18s only. Certain categories of business users are ineligible.

arts news

edited by David Lister

First round to Springsteen in battle over Seventies CD

REBECCA FOWLER

The battle between Bruce Springsteen, the American rock star, and a British music company went to the High Court yesterday, where a judge refused to strike out the action in which the singer is attempting to prevent early recordings he made in the Seventies being sold as a CD.

The company, Flute International, based in Bristol, and director Robert Tringham, of Potters Bar, Hertfordshire, had hoped to bring together 16 songs under the title *Uncollected* and promote them as an historic collection of the star's work at the outset of his career.

Mr Springsteen has issued a writ saying that the recordings are unauthorised. The songs

have become the subject of a tortured legal wrangle and distribution of the album has been postponed.

However, Flute International and Mr Tringham believe that they bought the songs legitimately from a US-based company, which had acquired them from the producer of the music, who was with Mr Springsteen when he

recorded the songs in New York and New Jersey in 1971 and 1972.

Tony Morris, solicitor for Flute and Mr Tringham, and who is a specialist in the music industry, denied the allegations of piracy. "This is a very responsible company, with respected and established directors from the music industry," he said. "It has tried to

ensure the rights are clear, and is continuing to do so, even though now they have to go through the courts to do that."

He added: "It's not a question of piracy. My clients have tried to do this the right way."

The issue of who owns copyright for early recordings by rock stars has become increasingly contentious in recent years. Many back-catalogues

cover music from the Fifties, Sixties and early Seventies, when music contracts were often vague. In the rest of Europe, the law has been streamlined only recently.

Mr Morris said: "I've got Jimi Hendrix cases dating back 15 years. And for every band breaking through now, they'll have done something in the past that increases in value with

their fame. Pulp has been going for at least 10 years, but has only recently broken through. What happens to a tape they might have made in a studio a decade ago, that someone finds?"

The company had hoped to sell between 200,000 and 300,000 copies of the Springsteen album in Europe, and it was due for release in Britain

this summer. An injunction has been put on the distribution of *Uncollected* in Germany.

Mr Springsteen has issued a High Court writ against Flute and Mr Tringham for damages over the proposed CD. He is also seeking injunctions restraining them from copying or selling any of the 16 songs on the album.



Masked images: Laurence Olivier put on coatings of black make-up to play Othello at the National Theatre while the Black and White Minstrel Show appeared weekly on television in the Sixties



From Othello to the Minstrels: Jeremy Irons faces a choice which can never be simply black or white

CHARLIE BAIN and DAVID LISTER

The actors' union, Equity, last night called on the producers of a new film about the founder of Pakistan to "search as widely as possible" for an Asian performer to play the role of Mohammed Ali Jinnah, following the disclosure that the British actor Jeremy Irons had been approached to play the part.

The move to cast the 47-year-old actor in the role of Jinnah, the Muslim revered by Pakistanis as the founder of their nation, caused consternation among Asian and Afro-Caribbean actors, who disagreed with him "blackening-up" for the role.

If Irons were to accept the part, it would revive the debate over whether it is politically permissible for white actors to black up, while black actors find it desperately hard to get work.

While Laurence Olivier put on coatings of black make-up to play Othello at the National Theatre, and the Black and White Minstrel Show appeared weekly on television in the ear-

ly Sixties, sensitivities are now far more acute. Sir Alec Guinness suffered critical derision when he blacked up for David Lean's film of *A Passage to India*, and American Equity tried, albeit unsuccessfully, to ban the British actor Jonathan Pryce from playing a Vietnamese spy in the Broadway production of *Miss Saigon*, when there were Asian actors available to play the part.

The prevailing climate against blackening-up has caused its own problems. Shakespeare's *Othello* is rarely performed at the National Theatre or Royal Shakespeare Company, and white actors are unable to perform one of the greatest tragic roles in the English language. But the heads of those two companies see this as a small sacrifice compared to the insult to black actors and black audiences of seeing a white man put on black make-up.

The Jinnah project has been undertaken by Professor Akbar Ahmed, a fellow of Selwyn College, Cambridge who sees Irons as ideal for the part.

Yesterday, Ian McGarry, Equity's general secretary, said that the union disagreed that such a high-profile Asian role should go to a white actor.

"Equity's policy is advisory on the entertainment industry and means that we would expect the producer of this film to have searched as widely as possible for an Asian performer to play the role of Mohammed Ali Jinnah," he said.

"We do not know whether Jeremy Irons has accepted this role, but in any event, we do not believe that this proposed casting could be considered to be made under 'limited and exceptional circumstances'."

Professor Ahmed, who is co-producing and co-scripting the film, defended his position yesterday, saying that the casting of Irons in the role was to help the non-Pakistani community to "understand what a great man Jinnah was" and to boost the self-image of the Pakistani community in Britain. He said: "Jinnah gives me, as a Pakistani, a sense of identity, territory and, above all, a sense of destiny because he created a Muslim nation which does not exist in history."

"Jeremy Irons is perfect for the role and if he takes it, it will do a great deal of good for the self image of the Pakistani community in Britain."

"By seeing a British actor in the role, it will help the non-Pakistani community to see where we came from and what we're all about."

The script of *Jinnah* has been sent to Irons, but his agents, Hutton management, were unsure if the actor had had time to read it.

"We know he has got the script," said a spokeswoman yesterday. "But as far as we know he hasn't had a chance to read it because he has only just got back from holiday."

The film, due for release next year, to coincide with the 50th anniversary of Indian and Pakistani independence, is due to be shot in Karachi, Lahore, Delhi and Bombay. It is understood that a number of British, American, Pakistani and Arab investors have shown interest in putting up the £2m needed for the making of the film, but only if a well-known international star takes the lead role.



Famous faces: Sir Alec Guinness blacked up for 'A Passage To India' and the singer Al Jolson

Edinburgh Festival: 'Out of chaos comes innovation' – stand-up comics, cabaret, opera, ballet, and Jimmy Boyle's sculpture
Let the rich cultural mix mushroom unhindered

Professor George Steiner is one of the most distinguished philosophers and literary critics in the world.

But has he, I wonder, sauntered down Edinburgh's George Street at midnight bent on crumming in a late-night feminist comedy cabaret to supplement the Croatian version of Gilbert and Sullivan and the student *Hamlet* with, literally, two men and a dog that would have been on offer earlier in a typical evening.

Until one has such a night, one can never appreciate the real "relevance" of the Edinburgh Festival.

Relevance was a word that figured strongly in the inaugural Edinburgh University Festival Lecture delivered last Sunday by Professor Steiner.

He argued that the festival must re-evaluate its relevance or face decline, urging that more space should be given to the sciences and for allowing the public into rehearsals and a more disciplined and focused programme overall.

"To know when to stop," he said, "is a rare but vivid mark of honesty within excellence."

Not necessarily. At least not in Edinburgh in August. The Edinburgh fringe, in particular, and the official festival to a lesser extent, is something a scientist should cherish. It is a study in experimentation. Makes it smaller and you risk losing future cultural treasures.

Where should you draw the

Professor Steiner argued at Sunday's lecture that the arts feast was overgrown.

David Lister says it can never be too big

line? Do you restrict the number of student companies and risk losing a Beyond The Fringe team or an unwieldy but innovative revue, featuring students called Emma Thompson and Stephen Fry?

Do you allow the students in but restrict the number of unknown, struggling fringe outfits and maybe lose a company like Kick Theatre, which produced the now internationally celebrated theatre director Deborah Warner?

Do you say, as many have done in recent years, that there is too much stand-up comedy and chance losing late-night cult figures such as Jack Dee, Jenny Eclair, Mark Thomas and Eddie Izzard, all now national television favourites?

Out of chaos comes innovation, ideas and occasional stardom. Edinburgh is, perhaps uniquely in the arts, an instant test of market forces. Word of mouth spreads with astonishing rapidity, new talents are discovered and the lesser talents learn the consummate skills of entertaining an audience smaller than the cast.

To reduce the Edinburgh mix is to ignore the needs of the Edinburgh consumer. Visitors to the official festival are people who may never see stand-up comedy the rest of the year – never, indeed, see fringe theatre. The festival gives them their one chance to sample at random the underside of British culture, just as students up for the late-night comic turns might see their first opera and ballet in Edinburgh.

That science plays little or no part in this eclectic cultural mix does not really seem a contradiction, especially as the city hosts a science festival in March, and it is hard to see how science could be best appreciated in the context of theatrically based live shows.

Professor Steiner's urging that the festival should invite audiences into rehearsals to see how art is actually shaped has more appeal. Workshops are widely available at the television festival which starts next week, but are virtually non-existent at the main arts events.

Brian McMaster, director of the Edinburgh Festival, and his counterparts on the fringe, could take note of that suggestion at least. But that aside, the festival and its fringe should be allowed to mushroom as much as its market of tourists and arts junkies allows. The moment that visitors and performers stop having a good time is the moment that it will shrink of its own accord.



Homage to the Gorbals: Jimmy Boyle shows off his sculptures. Photograph: Geraint Lewis

Boyle moulds taut tribute to human spirit

MARIANNE MACDONALD Arts Correspondent

There is an endearing awkwardness about Jimmy Boyle, convicted murderer turned acclaimed sculptor and wise connoisseur. Here is a man who has achieved riches beyond an ex-con's wildest dreams, with his Rolls-Royce, second house in France, best-selling autobiography, and soon to be published first novel.

Yet his late success has not brought vanity. Boyle, 52, is standing in front of his new sculptures, homage to his dark and violent past in the Gorbals, which form part of his first Edinburgh exhibition for 22 years, and his first in Britain since 1984. In *Praise of the Human Spirit* at the Demarco European Art Foundation blends humour and suffering in its muscular, taut depictions of people Boyle knew from those early days.

The most moving bronze, *Towerblock*, shows a man fighting to free himself from bricks that surround him to the waist. It echoes Boyle's own struggle, but hints at the reality for most of his contemporaries.

The exhibition springs out of the fateful meeting between Boyle and an artist sent into the experimental special unit at Barmine prison, where he ended up after being jailed for mur-

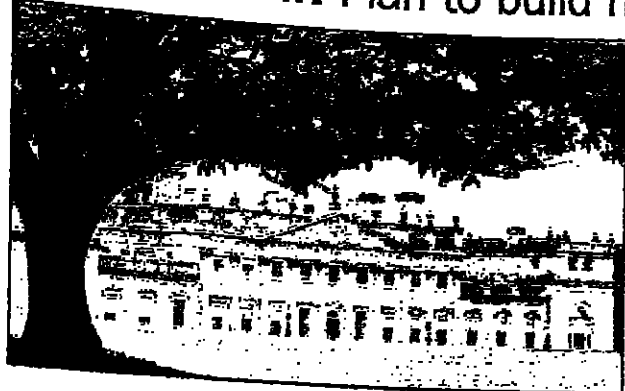
der, and subsequently charged with the attempted murder of six prison officers following a 1975 jail riot.

"I'd been in solitary confinement for six and a half years and I was put into the special unit. We wanted neutral people brought in to make sure there was no dirty work – we all ways felt there was a lot of brutality – so they brought in this woman. We hadn't seen a woman for years, so you can imagine what the screws were saying: 'You can't allow this, they'll rape her'. Meanwhile, we were getting our shirts pressed and our hair combed and saying to each other: 'Don't swear or she'll not come back'. She brought in 7lbs of clay and it was like a dam broke. I did a bust immediately of one of the other prisoners."

It was a revelation. Fourteen years after Boyle emerged from prison, his sculpture has won him an international reputation. These days, his limited edition bronzes sell for up to £9,500.

But he has not forgotten his past. He has set up a trust to help up to 1,000 deprived children a year, and before that, founded the Gateway Exchange in Edinburgh as an advice and campaigning unit for young people at risk. His own son, James, a heroin addict, was stabbed to death two years ago.

Grade I row: Plan to build new set for Emmerdale Farm at ancestral home sparks fears over damage to the environment



Earl's TV soap upsets ramblers

NIGEL BURNHAM

Conservationists are angry over plans by the Earl of Harewood to build a replica of the set featured in its popular soap opera *Emmerdale* on his 4,000-acre estate near Leeds.

Yorkshire TV (YTV) has applied for temporary consent to construct a 26-building replica of the set in artificial stone and plywood on a 12-acre site about a mile south of Harewood House, the Queen's cousin's magnificent ancestral home.

Although the site is outside Harewood House's Grade I registered parkland, landscaped by Capability Brown, it is none the less in a Special Landscape Area within the green belt, and protesters, led by the Ramblers' Association, fear the scheme would have damaging environmental consequences.

The plan, which would involve the building of new versions of *Emmerdale* landmarks, like the Woolpack public house, as well as the restoration of some redundant Grade II listed

'It would not stand a cat-in-hell's chance if it were to be a real village'

cottages and farm buildings, could provide YTV with its exterior set for the next ten years.

If it is approved, insiders believe the deal, yet to be finalised between YTV and Harewood House, could be worth £2m to the Earl, who has a long association with the arts world, and is a former chairman of the English National Opera.

The Earl has allowed YTV to film on his land for more than 25 years, and it has been used as the backdrop to series such as *Heartbeat* and *A Touch of Frost* as well as *Emmerdale*.

The opposition to the plan is being led by the Ramblers' Association which has already lodged an objection with Leeds City Council, due to consider the scheme later this month. It has also appealed to John Gummer, the Secretary of State for the Environment, to call in the application for a public inquiry.

Frank Reynolds, chairman of the West Riding Ramblers' Association, described the proposal as "horrific". He said:

"If this were a fully habitable village or a commercial or industrial scheme on the same scale it would be rejected out of hand... Yet an industrial scheme is exactly what it is."

The Ramblers' Association says that Harewood has promised that the set will not become a real-life village after YTV has finished with it.

Clive Fox, spokesman for the local branch of the Council for the Protection of Rural England, which is also objecting to the scheme, said: "This is a straightforward commercial venture which would not stand a cat-in-hell's chance of being approved in a green belt if it was going to be a real village."

"It would be a huge intrusion here, and... adversely affect what is a delightfully tranquil pastoral setting. The whole ambience of a large area of green belt - which should be sacrosanct - would be seriously jeopardised." He said it would be "naïve" to think the village would go away after ten years.

Christopher Usher, resident agent for Harewood House, dismissed the objections, describing the site of the proposed village as "ordinary farmland".

"We have chosen this location precisely because there will be minimal environmental impact", he said, adding that Harewood believed the scheme to be well thought out and "fantastic for rural jobs, [bringing] all sorts of other benefits to the local community".

Mr Usher rejected the ramblers' claims that the scheme would affect public access to the area. "The site is not on a public right of way", he said. "Access would be via a private farm road we've offered to YTV. There will be shared use of about 300 metres of one public right of way but vehicle movements will be strictly limited. We are only talking about temporary consent... after which the set will be returned to a green-field site."

A spokesman for Yorkshire TV, which has filmed *Emmerdale* at Esholt, near Bradford, for the past 10 years, occasionally visiting Harewood for location shooting, said yesterday: "We... need to move to cope with broadcasting three episodes of *Emmerdale* a week from next year. We think the Harewood House estate site... could be achieved without any adverse effects on the environment and public rights of way."

Health unions condemn offer

LOUISE JURY

Health unions have condemned a proposed pay offer linked to sickness levels which they claim could put patients at risk.

The Wirral Hospital NHS Trust has offered staff in its two hospitals a 1 per cent pay rise as long as they do not take more than seven uncertificated days off sick a year.

The plan has angered staff. Norman Robinson, branch secretary for the health workers' union Unison, said: "A hospital is not the healthiest place to work to start with... We have work to start with... following staff shortages and, following staff reorganisation, far more stress-related illness than I've ever related illness before... It's not going to be wise for people to come in feeling under par. It could be dangerous."

Martin Holt, the Royal College of Nursing's lead steward in the negotiations, said: "I've been constantly stopped in the corridors by people saying how ridiculous this [offer] is."

Although the offer has been rejected in principle, a further

objection lies in the details. The money would not be paid until 31 March next year backdated to the beginning of this April. This means anyone who has been ill since April immediately forfeits the increase, which comes on top of the national Government-funded 2 per cent rise.

The unions have written to the trust to turn down the offer, and claim members would vote for industrial action if it goes to ballot.

Frank Burns, the Wirral Hospital Trust chief executive, said the overall 3 per cent offer was one of the most generous in the region. "I have no doubt that we will have a robust negotiation and eventually reach a settlement that will be acceptable to all concerned," he said.

In a letter to staff, Graham Hewitt, human resources director at the trust, said the offer was linked to sickness absence rates because the trust had been "concerned" about them for some years. The absences cost the trust more than £2m a year.



Standing firm: Frank Reynolds (above), chairman of the West Riding Ramblers' Association, on an estate footpath at Harewood House (top left)

Photograph: Tim Smith

An all round square deal from Sainsbury's.

Yellow Flesh Nectarine Punnet x 8
£1.19 Save 30p **Only 89p**

Sainsbury's American Long Grain Rice 2kg £1.89 £1.59 SAVE 30p	Sainsbury's Squeezzy Barbecue Sauces 490g 99p 66p THIRD OFF	PG Tips Teabags 160s £2.95 BUY 1 GET 2ND HALF PRICE	Nescafe Gold Blend 300g £6.35 £5.35 SAVE £1
Sainsbury's Penne Tricolori Pasta 500g 72p 49p SAVE 23p	Roses Marmalade 454g 88p 66p SAVE 22p	Cadbury's Dairy Milk 200g 89p 75p SAVE 14p	Ambrosia Ready To Serve Custard 425g 57p BUY 1 GET 2ND HALF PRICE
Sainsbury's UHT Virtually Fat Free Milk 1.5 litre 72p 56p SAVE 16p	Lyons Viennese Whirls x 6 85p BUY 1 GET 2ND HALF PRICE	Alinson Wholemeal Bread 800g 61p BUY 1 GET 2ND HALF PRICE	Kingsmill Premium Bread 800g 63p BUY 1 GET 2ND HALF PRICE
Tango 6x330ml pack £1.89 BUY 1 GET 2ND HALF PRICE	Wall's 'Too Good To Be True' £1.89 £1.59 SAVE 30p	Sainsbury's Steak Cut Oven Chips 1.81kg £2.49 £1.49 SAVE £1	Sainsbury's 12 Finger Rolls £1.14 76p THIRD OFF
Shape Yogurt 4x125g pack £1.25 99p SAVE 26p	Colgate Total Toothpaste 100ml £1.92 BUY 2 SAVE £1	Sainsbury's Frozen 8 Beef Burgers £1.39 99p SAVE 40p	Strongbow Cider 8x440ml pack £5.99 £4.49 SAVE £1.50
Sainsbury's Sweetcorn 510g 65p 49p SAVE 16p	Pringles 200g £1.49 BUY 2 GET 3RD FREE	Lenor 2 litre £1.65 BUY 1 GET 2ND HALF PRICE	SAINSBURY'S Reward Card

Sainsbury's. Where good food costs less.

OFFERS AVAILABLE UNTIL 24 AUGUST 1996. ALSO AVAILABLE AT SAINSBURY'S SAINSBURY'S. MERCHANDISE SUBJECT TO AVAILABILITY. SOME LINES ARE AVAILABLE AT LARGER BRANCHES ONLY. THE LAR DOES NOT PERMIT THE SALE OF ALCOHOL TO PERSONS UNDER THE AGE OF 18.

international

Cuba wishes happy birthday to the aging maximum leader

PHIL DAVISON
Latin America Correspondent

When 32-year-old lawyer-cum-revolutionary Fidel Castro gave his first victory speech in Havana in January 1959, a white dove circled the podium, mesmerising all except the speaker. It landed on Castro's left shoulder, sparking shouts of "¡Fidel! ¡Fidel!"

To the superstitious Cubans,

mostly followers of the voodoo-like African-rooted Santería religion, it was an omen. In Santería, the dove is a symbol of the Son of God. "Fidel is an *elegido* [Chosen One]," a Babalao, or Santería priest, said later. "He has a mandate from God."

Seventy today, Castro is the last, stubborn remnant of communism in the western hemisphere. The beard is still there, though grey. The belt has had

to be loosened on his olive uniform tunic but the back is still straight. The voice tends to tremble but the words have not changed. "Socialism or Death!" he still tells his audience.

"Dying doesn't figure in my immediate plans," he told the U.N. at its own birthday party, its 50th, in New York last year. "Fidel will not die!" shout his supporters whenever he speaks. During more than 37 years in

power, he has seen eight U.S. presidents come and go. But can he go on for ever?

"He is in visibly poor health, a big decline since I last saw him in October," said Dan Rather, CBS's TV anchorman, who recently filmed a documentary on Castro. "He was feeble when he took steps. He conserves his strength."

He also retains a sense of humour. When Rather asked him

to name his most dangerous moments, he said they were the CIA's plots to kill him — "with the possible exception of flying Aeroflot".

Castro is estimated to have survived 33 assassination attempts. The CIA's included a plan to make him smoke an exploding cigar and the "Samson Scheme", an attempt to slip him a poison that would make his beard fall out, destroying his image.

That image has been battered by economic disaster, particularly since the collapse of the Soviet Union. Cuba's long-time protector. The island has since been in a "Special Period," an economic state of emergency with rationing of basic goods.

In his last major speech, on 26 July, *el Jefe Máximo* (the Biggest Chief) claimed the economy was recovering, citing a growth rate of 9.6 per cent.

He has opened up the economy to a certain degree, allowing small businesses and the legal holding of US dollars.

With the communist party still the only one permitted, however, and with dissidence often punished by jail terms, it is hard to gauge his popularity. Castro appears to retain support among those old enough to remember the Batista dictatorship and to appreciate the social

changes he brought about.

The younger generation tends to be more openly critical and in favour of change.

Aware of that sentiment, Castro has delegated more responsibility to younger men such as economics tsar Carlos Lage and Roberto Robaina, Foreign Minister. Both are tipped as possible successors should Castro step down but few Cubans expect him to do so.

Kremlin blamed by Lebed for bloodshed

HELEN WOMACK
Moscow

President Boris Yeltsin's new envoy to Chechnya, Alexander Lebed, yesterday returned from a lightning visit to the edge of the war zone full of criticism for the Russian authorities and their handling of the rebellious Caucasian region.

During his trip, he had talks with the moderate Chechen field commander, Aslan Maskhadov, as a result of which Russian and Chechen officers were yesterday in telephone contact with each other in an attempt to arrange a ceasefire in and around Grozny. But the internal fighting may only just be starting in the Kremlin after General Lebed's savage criticism of the Russian government and its representatives in Chechnya.

A new system for dealing with Chechnya needed to be worked out, he said, suggesting that the Security Council, which he chairs, should start to work on the problem on a permanent basis. He was critical of the existing State Commission for Chechnya, headed by the Prime Minister, Viktor Chernomyrdin, and suggested that he should deal only with economic aspects of policy towards the region.

General Lebed, co-opted onto the Kremlin team as head of national security after doing well in the first round of the presidential election, and still enjoying a reputation as "Mr Clean", accused Moscow's puppet government in Grozny of corruption and of fuelling the war in the interests of its own survival. Money from the federal budget was being channelled to the rebels "through commercial banks with the tacit consent of the Chechen government," he said.

The government in Moscow lacked objective information about Chechnya. "A torrent of lies is coming from Chechnya, especially from the Chechen leader, Doku Zavgayev," he said, referring to the head of the puppet administration.

He also attacked the team of President Yeltsin's former envoy to Chechnya, Oleg Lobov, who was sacked on Saturday after a week of fighting in the region which ruined the President's inauguration celebrations. In the middle of the



Fighting fit: A Chechen fighter in Grozny scanning the sky for Russian jets while his colleagues try to repair a machine-gun

Photograph: AP



Attack: Lebed at a press conference yesterday

crisis, a deputy to Mr Lobov was sunning himself on holiday in Cyprus, General Lebed said.

During his short trip to Chechnya, General Lebed visited Russian troops serving in the area and was appalled. Conscripts at federal checkpoints were "half-starved, lousy and undressed," he said.

"These weakened men can hardly represent the interior ministry or the defence ministry. Partisans in the Second World War were dressed better than our soldiers today," he added. "I had a feeling things were far from good but I did not think they were as bad as this."

The root of the Chechen problem was in Moscow, he declared in a statement which is likely to make him enemies in the Kremlin. He admitted that he was taking a risk by being so outspoken. There were people in power who wanted "Chechnya to be my undoing," he said. A joke currently doing the rounds among ordinary Russians says that Chechnya will turn Lebed, whose name means "swan", into a duck.

By contrast, General Lebed seemed to get on well with Mr Maskhadov and the other Muslim leaders whom he met late on Sunday in the village of

Stary Atagi, about 12 miles south of Grozny. A Russian television report said they had found "a common language on 95 per cent of the issues".

According to General Lebed, Mr Maskhadov, who is more moderate than other Chechens on the issue of independence, had agreed that "Russia can live without Chechnya but Chechnya cannot live without Russia". The General said he got the impression that Mr Maskhadov would be satisfied with autonomy similar to that enjoyed by Tatarstan, which is another Muslim region of Russia.

The general said he and Mr

Maskhadov shared the view that Russia could crush Chechnya, but only by sacrificing thousands of lives, and that nobody needed such a victory. The two men agreed to try and achieve a ceasefire. Mr Maskhadov said that for a truce to work, it was a condition that Russia did not introduce a state of emergency in Chechnya, as politicians in Moscow have been demanding since the latest upsurge in fighting. General Lebed said Russia had neither the men nor money to impose a state of emergency.

On the ground, battles continued to rage yesterday for the

seventh day, in the worst fighting since Moscow first sent its tanks and troops to Chechnya in December 1994. The Russians were reported to have stopped their air attacks over the city but civilians had abandoned the streets to the army and the rebel gunmen.

Near the southern Russian city of Volgograd, a bomb exploded on a packed train, killing a woman and injuring several other passengers. It was not clear whether Chechens or the Mafia were behind the attack, one of a series of unsolved terrorist incidents in Russia this summer.

Police raid migrants' church protest

MARY DEJEVSKY
Paris

Police raided the church of St Bernard in central Paris at dawn yesterday, to evict 300 mainly African and Maghrebian immigrants campaigning to be granted legal residence in France as the parents of French nationals. The immigrants had occupied the church on 28 June after being evicted from other premises in a protest that began in March.

The group included 10 people on protracted hunger strike, five of whom were detained in hospital after medical examination. A lawyer for the protesters said the police action was legally questionable and that those who wanted to return to the church should do so.

Daniel Vaillant, the Socialist mayor of the Paris district where the raid took place, said the government had to understand that "such a rough and contemptuous attitude would solve nothing".

Last month, the Interior minister, Jean-Louis Debré, signalled a softer line on illegal immigrants who were "foreign parents of French children" (illegal immigrants whose children were born in France and were French nationals), whose situation had attracted concern.

As the law stood, these parents had no right to remain in France and no entitlement to a work permit or benefits, but nor could they be expelled because they had legally resident French dependents.

Local authorities have been instructed to give such people "leave to remain" for one year and the opportunity to regularise their position thereafter.

Yesterday's eviction came only days after Mr Debré announced tougher action on illegal immigration, including the creation of a central body to co-ordinate information and action. He also said that the number of "deportation characters" — special flights repatriating illegal immigrants — would be increased from two to three a month for the rest of this year.

Since 1993, place of birth has not automatically entitled a person to French citizenship, and children born to illegal immigrants after this date can be deported with their parents. People in this category were at the centre of the St Bernard protest, and are demanding that the group be dealt with as a whole, rather than "case by case", as the government insists.

Surgeon's hope does not fail in Grozny's last hospital

CARLOTTA GALL
Grozny

There is only one working hospital left in the war-torn city. Hospital No 3, a ramshackle building with no running water and only a skeleton staff.

It lies on the north-west edge of the city. The shelling is sporadic compared to the centre of town, where the bombardment is constant. But people bringing patients to the hospital have to run a gauntlet of bullets from

nearby Russian posts, and shells pitched from tank positions on the hills opposite.

The chief surgeon, Mikhail Davidov, arrived in a truck with medical supplies just after several loud explosions shook the windows of his hospital, shattering those of one building.

One, called a "cassette bomb", floated down on a parachute before bursting in the air, throwing out small metal bombs which exploded only 100m from the hospital.

Mr Davidov showed little surprise: "We worked through the war from 1994 under this sort of shelling. While we have electricity, we can continue operations. There is a Latin saying that goes, 'While I live, I hope.' If I did not hope, I would have left long ago."

He looked out of the window with a blank stare. Heavier shelling was pounding apartment buildings 500m away, puffs of smoke rising as the missiles hit their targets. He still had

a generator but no telephone or radio contact with the outside world. Medical supplies were low and they were reduced to fetching water in drums from a kilometre away.

Almost 70 patients had passed through the hospital in six days of fighting, nurses said, including several children hit by sniper bullets. One girl, aged three, hit in the head by a sniper bullet while her family tried to flee the city in their car, was among them. "Her whole

skull was shattered. There was nothing to do, but she lived for 12 hours," Mr Davidov said.

Ruslan Aslakhov, a thin 16-year-old boy who looked much younger, was shot through the chest only inches from his heart. It was also a sniper from the nearby Russian post, he said. Several other patients had been shot while trying to flee the city in cars last week. Ruslan Sadayev, 20, was shot in the back and the foot, as he approached a post with a crowd of refugees.

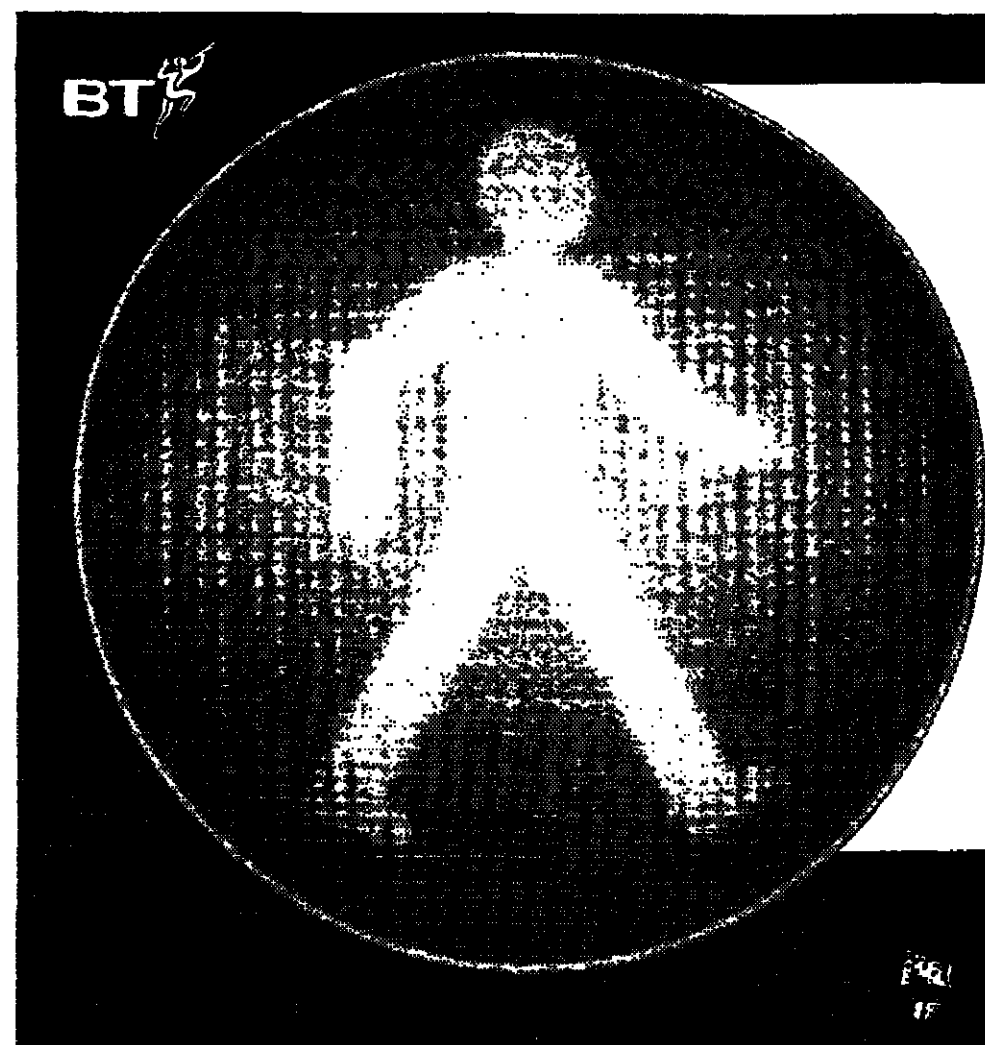
"The soldiers came running up. I asked them, 'Why did you shoot?' They replied, 'Orders. Shut up, or we'll set fire to you as well,'" Mr Sadayev said.

"Their aim is to kill Chechen people, or anyone who lives in Chechnya. You can see from the wounds, they want to kill civilians. The snipers sit up on the roofs. I feel rage when I see their work," the surgeon said.

Mr Davidov's immediate concern was how to cope if patients with worse injuries

arrived. "I am the only surgeon here," he said. "If they brought in heavily wounded people, it would be really difficult. We do not have an anaesthetist and the nurses have been working round the clock for three days."

A worker for the aid agency Médecins sans Frontières brought bad news from the city. All the big hospitals in the centre and south of Grozny were out of action. They had been evacuated and had probably been destroyed.



BT Internet makes it
easier to get going...
...join now and
save £20.

- Full application software including E-mail
- 100% 0345 Lo-call nationwide access
- Reliable and fast connection, 98% get connected first time
- Simple and easy installation
- FREE Internet connection
- Fee normally £20 including VAT.

It couldn't be easier. Just call Freefone 0800 800 001 Quote reference: BTIIP1

BT Internet

Offer extended until 31st December 1996. Only the connection fee is waived during this period. The offer does not include ISDN or PSTN line provision. The minimum subscription period is one month for customers paying on a monthly basis and one year for customers paying annually. No refund for subscription cancellation. Call charges are additional when using BT Internet. Standard PSTN monthly subscription charge £15.00 including VAT and £150.00 including VAT for annual subscription. Visa or Mastercard is required for payment. Business billing available on request.

صلى الله عليه وسلم

Internet

~~THIS DOCUMENT CONTAINS NEITHER RECOMMENDATIONS NOR CONCLUSIONS OF THE NATIONAL BUREAU OF STANDARDS. IT IS THE PROPERTY OF THE NATIONAL BUREAU OF STANDARDS AND IS LOANED TO YOUR ORGANIZATION; IT AND ITS CONTENTS ARE NOT TO BE DISTRIBUTED OUTSIDE YOUR ORGANIZATION.~~

10
internationalTWA riddle deepens
as bomb doubts growDAVID USBORNE
New York

The leading theory as to what might have caused Flight TWA 800 to plunge into the ocean off Long Island almost a month ago — the detonation of a bomb in the front cargo hold — has been thrown into serious doubt because examination of all four containers in the area has shown no evidence of an incendiary blast.

The last of the large metal boxes into which passenger bags had been stowed was retrieved from the sea on Sunday and appeared to be essentially intact, if somewhat battered.

James Kallstrom, the FBI agent in charge of the investigation, conceded that all four containers "are basically unremarkable".

Investigators were drawn to the theory of a bomb placed inside one of the containers in

part because of a finding that the front section of the aircraft had become detached in the accident and had fallen to the ocean first. They were also attracted by parallels with the downing of Pan Am 103 over Lockerbie, Scotland, in 1988, which was traced to a bomb in the front hold.

The mystery surrounding the loss of TWA 800 therefore appears to be deepening. Investigators are far from giving up on the idea that a bomb caused the explosion, but remain unable to rule out two other possibilities: that the plane was brought down by a missile or by a mechanical failure, such as a catastrophic deployment of the engine reverse thrust in mid-flight.

"We have these three theories and they're all on the board," Mr Kallstrom admitted. "Until we know exactly what happened and which theory

proves to be the case, they'll remain there." Investigators still appear, however, to favour sabotage of some kind.

An Israeli newspaper, *Maariv*, reported yesterday that an FBI team is hoping to interview a Lebanese man in detention in Israel who was injured when a bomb he was making exploded prematurely in April.

Flaws in security measures at John F Kennedy airport are also coming under renewed scrutiny. These were graphically demonstrated by the findings of a local police officer investigating security arrangements a week after the crash.

With a limited-access security badge issued to ticket clerks of a commuter airline, the officer was able to penetrate any part of the airport he chose, including baggage sorting areas and parked aircraft.

"It was incredible," the offi-

cer reported, attesting about the access he gained to the aircraft themselves. "I suppose if I wanted to, I could have sat down in the pilot's seat and drove away with the thing."

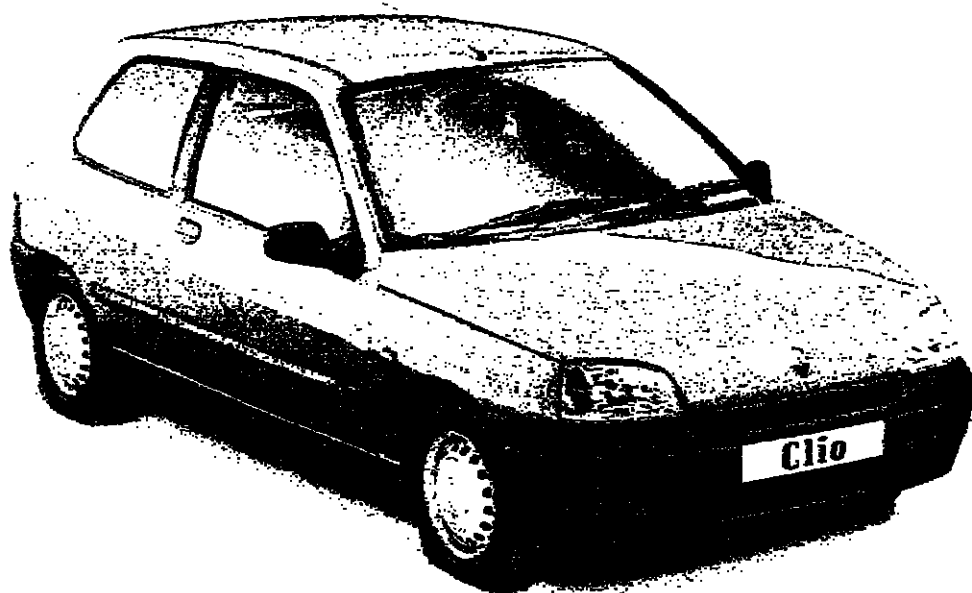
Investigators in the TWA case, turning their attention away from the front cargo hold, are now questioning whether a bomb could have been placed in a food trolley or the carry-on baggage of a passenger that might have been stowed under a seat or in an overhead baggage compartment.

Interest is also being focused on the so-called centre wing fuel tank, a large tank area between the wings that was only partly filled when the plane took off. Parts of the tank already retrieved show signs of intense fire damage. If the fuel that was in the tank became warm enough to become vapour and something ignited it, it could have led to an explosion.

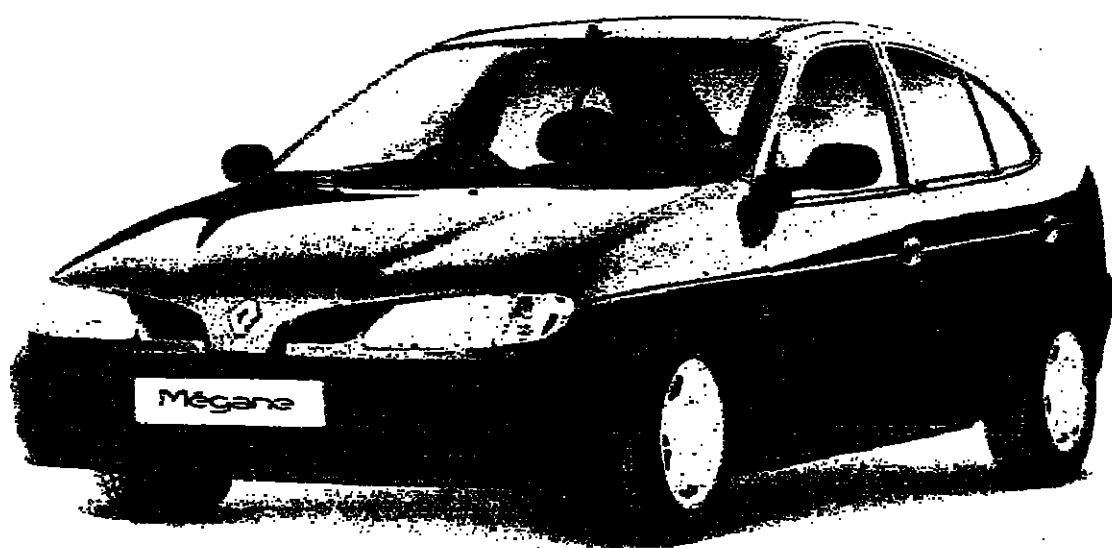


Water works: Tadeusz Pilipuk cools one of his charges at Warsaw Zoo, which does not have enough room for its two young hippos and is trying to give them to anyone who has a 35-square-metre swimming-pool

FROM ONLY £6,995 ON THE ROAD



THE MOST
STUNNING FIGURES
YOU'LL SEE
THIS SUMMER.



FROM ONLY £9,995 ON THE ROAD

RENAULT
CARS
WITH FLAIR

CALL 0800 52 51 50 FOR YOUR NEAREST RENAULT DEALER

Pol Pot's top
man quits
Khmer RougeSTEPHEN VINES
Hong Kong

Convicted and sentenced to death for mass murder, the Khmer Rouge leader, Ieng Sary, has defected from the infamous Cambodian guerrilla organisation and appears set to lead a new political party in elections scheduled for 1998.

This bizarre state of affairs says far more about the nature of Cambodia's government than it does about Ieng Sary, 67, who served as foreign minister to the genocidal Khmer Rouge government which ruled the country from 1975 to 1979, killing some two million people.

Last week, the government in Phnom Penh triumphantly announced Ieng Sary's defection, alongside a number of other senior Khmer Rouge officers. This was obliquely confirmed by the guerrilla forces whose radio station denounced him for embezzling £10m and described him as a traitor.

Following news of his defection, the First Prime Minister, Prince Norodom Ranariddh, said that as the death penalty had been abolished, Ieng Sary would have to be jailed. However Hun Sen, the Second Prime Minister, himself a former Khmer Rouge fighter, praised Ieng Sary for saving tens of thousands of lives by defecting.

As ever, Hun Sen's warm welcome for Ieng Sary looks set to prevail over Prince Ranariddh's wishes. The Second Prime Minister is far more powerful than his supposed leader. He may also be seeking to form an alliance in the forthcoming elections to fight both the First Prime Minister's more popular party and the struggling, but highly popular, opposition party led by Sam Rainsy, a former finance minister.

The mystery of Cambodian politics is that no one seems powerful enough to prevent the return of a mass murderer to the political mainstream. In-

deed, Ieng Sary's planned return is not even being seen in these terms, except by Sam Rainsy, who is just about keeping his head above water in the face of threats to outlaw him.

Some reports have mistakenly described Ieng Sary as "Brother No. 2", ranking him second in line to the infamous Pol Pot. However this is incorrect, although he was part of the Khmer Rouge core leadership and played a key role in luring intellectuals back to Cambodia after 1975 and in keeping an eye on King Sihanouk during his exile in China.

He is said to be a charismatic leader with an ability to charm, obscuring the ruthless streak which characterises the Khmer Rouge leadership. His defection provides yet more evidence that the guerrillas are seriously split, although reports of a division on the lines of hardliners and reconcilers seems wide of the mark. Much of the dissension in the ranks is over spoils from the Khmer Rouge's windfall from drugs trafficking and illegal gems trading.

Ieng Sary has yet to appear in public, but some fellow defectors have announced his political intentions. The government, in the shape of Ok Serey Sopheap, a senior interior ministry official, said "if it is the will of the people" Ieng Sary could participate in the elections.



Ieng Sary: Sentenced to death for mass murder

Indonesia holds
leading radical

JOE McDONALD

JAKARTA, Indonesia (AP) — A fugitive radical accused of inciting riots last month has been arrested, and the death toll in the violence has risen to four, a spokesman for the Indonesian military said yesterday.

The armed forces spokesman Brigadier General Amir Syarifuddin said the government is deciding whether to charge Budiman Sujatmiko, 27, with subversion. The crime is punishable by death.

Nine other people were arrested also, Syarifuddin said.

The government claims subversives were responsible for violence that erupted on July 27 after police raided the headquarters of an opposition party headed by pro-democracy leader Megawati Sukarnoputri.

Mr Budiman denied the allegations in a statement issued last week from hiding, saying they were an excuse to crack down on pro-democracy forces.

Opposition figures say that instead of being a leftist plot, the

riots were fuelled by popular anger at poverty, corruption and official interference in Megawati's party.

Suharto overthrew her father, President Sukarno, in 1966, and apparently is afraid her growing following could undermine his regime.

Budiman was arrested late on Sunday at a house in the Bekasi district on the outskirts of Jakarta with five other people, Syarifuddin said, including Petrus Haryanto, secretary general of Budiman's unauthorised Democratic People's Party. The party has fewer than 200 members, many of them student activists and other young people.

Four more people were arrested early on Monday, the general said.

Megawati, whose party is one of only three allowed under Suharto, was questioned by police on Friday and denied knowing anything about an alleged plot. She said she hadn't even heard of Budiman until after the riot.

Buchanan's bow-out gives Dole a boost

RUPERT CORNWELL
Escondido, California

Helped by a grudging call for a truce from his longtime foe Pat Buchanan and an inspirational rallying cry from the Republican party's new hero Colin Powell, Bob Dole yesterday finally watched his bandwagon start to roll, as the San Diego convention opened its doors for serious business.

Rarely in American political history has such a gathering been so minutely choreographed, and even before it started the first signs of the traditional convention "bounce" were already showing - thanks at least to the candidate's universally applauded choice of Jack Kemp as his vice-presidential running mate.

Two polls yesterday suggest President Clinton's previous 50-point lead had halved, with or without a run by Texas billionaire Ross Perot, whose new Reform Party is choosing its first presidential candidate this week. One poll, by CNN/USA Today, found a quarter of all voters "more likely" to support the Republicans now that Mr Kemp had joined the fray. "People are finally starting to pay attention," said Haley Barbour, the Republican party chairman.

How long the surge lasts is anyone's guess. But from conservative and liberal Republicans alike the watchword was unity: the fractious party being determined to seize full advantage from what amounts to a week-long, free prime-time advertising slot to sell itself to voters. Virtually every wrinkle of dissent has been ironed out, and now even Mr Buchanan, who harried Mr Dole throughout the primary campaign, is ready for peace of a sort.

Mr Buchanan's populist far-right crusade for the nomination formally ended on Sunday evening in Escondido, 30 miles north of San Diego, at a gala rally for 1,500 supporters, cheering and chanting in the auditorium of the California Center for the Arts, ringed by

THE US PRESIDENTIAL ELECTIONS '96

police and fenced off like a top security military base.

As gay and pro-immigrant demonstrators staged a noisy rally outside, the commentator and one-time Nixon and Reagan speech-writer made clear he would not break from the Republican party, and asked for a "temporary truce, a truce of San Diego" to defeat the common enemy of Bill Clinton and

Reform Party enters the fray

Ross Perot and his nominal rival Dick Lamm took turns on Sunday night to shower scorn on the two major parties before a small but enthusiastic gathering of Reform Party volunteers, writes Tim Cornwell in Long Beach.

About 2,000 people at the Long Beach Convention Centre heard Mr Perot promise a better America and denounce Washington for running up a \$5,000 billion national debt.

Mr Lamm, the former Colorado governor, accused President Clinton of fear-mongering over cuts in medical programmes for the elderly and called Republican Bob Dole's promise of tax cuts "pathetic and embarrassing".

Mr Lamm announced his bid for the presidential nomination six weeks ago, but Mr Perot is considered the favourite.

"Prince Albert" Gore.

Fearful, his voice cracking with emotion, Mr Buchanan told his followers that while they had lost the battle, they were winning the war. America did not need a third party. "Our rivals may be waving from the podium, but before our eyes, the Republican party is becoming a Buchanan party," he said, hail-

ing the conservative language of the party platform on abortion, immigration and foreign policy, which the 1,990 convention delegates approved yesterday.

"The old order is passing away... One day the stone the builders rejected will become the cornerstone," Mr Buchanan insisted to shouts of "Go, Pat, Go" from an audience itching for the year 2000 and a chance to resume the struggle in the next presidential campaign.

But the Buchanan truce stopped far short of an endorsement for Mr Dole - indeed he did not even mention the future nominee or Mr Kemp by name.

Now however the organisers will press on with their choreographed spectacular, the one real distraction being the spat with Pete Wilson, Governor of California and former mayor of San Diego, denied a major speaking appearance because of his backing for abortion rights.

The argument was quickly forgotten as a pantheon of party heroes was rolled out for the first night, in a section designed to highlight "individual leadership and integrity", led by former Presidents Bush and Ford, and topped by Colin Powell, whose 10-minute address could not but remind that he might well today be in Mr Dole's place had he not decided against a White House run.

But no night of celebration is complete without a dash of poignancy and nostalgia, and that was provided by the greatest hero of all in modern Republicanism - Ronald Reagan. In-cutter, supply-sider and indefatigable optimist, Jack Kemp may be the closest thing to Mr Reagan in today's party, but for the first time in 20 years the man himself will not be attending a convention.

Last night delegates had to make do with a video and a speech from Nancy Reagan, the penultimate speaker before Colin Powell, in which she conveyed the greetings of her husband, now 85 and suffering from Alzheimer's disease.



Floating voters: Supporters of Bob Dole, and his running mate Jack Kemp, on their way to the Republican Convention in San Diego. Photograph: Reuters

Party faithful worship at Emporium

Journalists checking in to cover the Republican National Convention in San Diego were each pleased to receive, along with their media passes, free commemorative canvas bags embossed with the Republican Party logo, an elephant. But they were baffled to discover that the bags were stuffed full of - not convention documents - but, among other things, a box containing 20 small, plastic food "storage bags" manufactured by a company called "Hefty"; a box of Kraft macaroni and cheese ("boil 11 to 13 minutes, or until tender, stirring occasionally"); a white cotton polo shirt, courtesy of a finance company called Nicholas Applegate Capital Management; a plastic beer mug marked "Budweiser"; a bag of tortilla chips; two small bags of California raisins; and a certificate "entitling the bear-

er to one free admission to the Ronald Reagan presidential library and museum". Very nice, but what did it all mean? A clue lay at the Convention Emporium, a carpeted marketplace the size of an indoor football pitch where delegates take breaks between speeches to indulge the all-American ritual of shopping. Observe the Republican faithful jostling for merchandise on the Emporium floor and you will see that while yes, to be sure, they venture on these four-yearly convention pilgrimages to voice their support for the presidential candidate *du jour*, what drives them deep down is an imperative at once more solemn and more enduring: to pay homage to the free market and to honour the memory of their patron saint, Ronald Wilson Reagan.

San Diego Diary

Centre is the delegates' temple, but the Convention Emporium is their shrine. The range of goods available at the stalls, rows upon rows of them, is immense. But the themes are always the same: God, Country and the Grand Old Party. The children's cuddly toys are all elephants bedecked in Stars and Stripes; the men's ties, the women's waistcoats, the unisex hats, the babies' bibs - all embroidered in more elephants, more Stars and Stripes; and then there are the Stars and Stripes golf balls, earrings, fountain pens. And the watches with carved golden wrist-bands spelling the words "Jesus loves you"; the Christian rock band

CD's; the posters of Reagan, alongside the posters of John Wayne, at \$12 (£7.75) a piece. The Reagan stall is the biggest in the Emporium, selling, apart from the mandatory T-shirts and baseball caps, videos featuring extracts from the actor-president's greatest speeches: Ronald Reagan piggy banks; and Ronald Reagan yo-yos. Those who love Good, the Emporium merchants know, do not love Evil. And Evil, if you are a true Republican, has a face. It is the face of a woman whose screaming portrait adorns the middle of a fake three-dollar bill marked "Queer Reserve Note" and "the Feminist States of America". Jezebel's name is Hillary Clinton. A pad of 25 "Hill bills" sells for \$3.50 (£2.25), a case of 3,750, \$262.50 (£169). Yes, people do buy this stuff. The manufacturers have

a catalogue. And there is plenty more anti-Hillary paraphernalia, mostly bumper stickers along the lines of "Don't blame me, I didn't vote for Hillary", and "I don't trust President Clinton, or her husband." Reclining at the feet of the Queen of Pandemonium is not only Bill "Clintonocchio" Clinton but that other Democratic fiend, Senator Edward Kennedy. Two bumper stickers lampooning the late president's brother reveal that the Emporium merchants set as their sights are on the higher good, are not beneath stretching the boundaries of good taste. Here are a couple of samples: "Teddy, I'm pregnant, but we will cross that bridge" and "Vote for Ted Kennedy: a blonde in every pond".

John Carlin

E39

SeaCat Folkestone to Boulogne
Hovercraft Dover to Calais

Snap up a short break to France. From £39 take a car and up to 5 people for a 72 hour return trip on the SeaCat, from Folkestone to Boulogne, or the Hovercraft, from Dover to Calais from just £49. Both offer Premier Class: complimentary refreshment, newspaper and refresher towel with duty and tax free goods brought to your seat, all at no extra cost.

The journey won't eat into your holiday time either. The SeaCat glides across in 55 minutes with 6 crossings daily, the Hovercraft takes only 35 minutes with 14 scheduled crossings daily. Alternatively take a day trip, an overnighter, a 96 Hour return, a 5 Day or Apex Standard return. For reservations call Hoverspeed now or see your travel agent.

CALL 01304 240 241

Our Internet address is <http://www.hoverspeed.co.uk/>

HOVER SPEED
FAST FORGERS

STILL THE FASTEST WAY TO FRANCE

*Terms and conditions: Fare valid for travel up to 24 December 1996. Restricted space, subject to availability. No amendments or cancellations permitted. £10 Saturday supplement applies.

The healthcare you need at a price you can afford

Think about the benefits you really want from private healthcare. With PPP healthcare's new Starter Plan, the highest standards of care are yours for a remarkably low price. For complete peace of mind, return the coupon today.

- Immediate access to private treatment
- Your choice of hospital
- Hospital stays paid in full with no annual limit
- FREE 24-hour Health Information Line
- FREE calls to your Personal Advisory Team

PPP healthcare

SEND FOR A FREE NO-OBLIGATION QUOTATION NOW. TO: PPP healthcare, FREEPOST PPP HOUSE, DEPT. STATION ROAD, EASTBOURNE, EAST SUSSEX BN1 1BB. We don't want your money, we want your health.

Mr/Ms/Miss/Ms Name _____
Address _____
Postcode _____
Tel. No. (Day) _____ (Evening) _____
Date of birth / / (Important: we cannot give you a quotation without this date.)
Name of other adult to be included _____
Date of birth / /
Number of children under 21 to be included _____
If you have a current medical condition, please give your medical details _____ Ref: 5576

I FREELY AGREE TO RECEIVE PROMOTIONAL MATERIAL FROM OTHER COMPANIES.

We're there to support you at every step.

Call now and get your first month free
0800 33 55 55 Ref: 5576

AND BECAUSE OF THE POSSIBILITY OF A SHORTAGE OF PLACES, SEVERAL ARE AVAILABLE. Credit card payment, please. Please quote reference number.

the leader page

Persuasion: a devil of a challenge for both parties

Who do the Tories think Tony Blair is? From Bambi, the ineffectual and over-nice leader of an unreconstructed party, he metamorphosed into Stalin, the dictatorial and arbitrary dictator of a cowed membership, and has now become Randall Flagg Blair, the red-eyed Stephen King-type horror depicted in the latest "New Labour, New Danger" poster.

Cue horror and anger. The Bishop of Oxford has attacked such vilification, particularly where it "draws on satanic imagery". And Peter Mandelson, sensitive and retiring campaign manager for Labour, writing in yesterday's *London Evening Standard*, described the poster as a "new low in propaganda ... [which] will disgust everyone ... a crass, clumsy move". Mr Mandelson believes that the message will backfire because "Tony Blair is a practising Christian, and by any standard a man of decency and integrity". Mr Mandelson is clearly right about Mr Blair's character, though he should remember (our tongue is a little in check, here) that the Spanish Inquisition was entirely run by practising Christians.

Mr Mandelson's protestations that such negative campaigning will backfire upon the Conservatives are tinged by more than a little nervousness. Having failed in its attempts to suggest that

Mr Blair is old Labour in disguise, Tory Central Office is clearly enjoying more success in its contention that much of the danger of new Labour lies precisely in its newness. Who knows, it seems to ask, exactly where new Labour will take us? The poster itself is merely a way of exploiting the Clare Short debacle, while reminding the nation of the central anti-Labour theme of Conservative propaganda.

It is certainly the case that the speed of Conservative reaction to the Short interview marks the fact that we are now - semi-officially - living through an election campaign. It has begun, and nothing that happens will be judged by political commentators and politicians on any merits except whether or not it gains votes. But the Blair poster also raises the question of what kind of campaign it will be. Should the rest of us be as worried by it as the Bishop and Mr Mandelson are? Does this poster indeed mark the beginning of a prolonged and unprecedented nastiness, as some have begun to fear? And is it possible for a British election to be won or lost on the basis of wholly artificial fears, created with the same attention to real events as the average low-budget rented video?

If one steps back and takes a cool look at the Blair poster, it is hard to see why this is any more objectionable



ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 0171-293 2000 / 0171-345 2000 FAX 0171-293 2435 / 0171-345 2435

in principle than, say, an advertisement containing an entirely fictitious assertion about the tax implications of Labour policy.

The recent Tory party election broadcast likewise contained a statement about Labour policy on the treatment of criminals that was a straightforward and blatant untruth. In its distancing from any kind of factual argument the red-eye poster was, if anything, less offensive - it is not a lie, but an interesting joke. We surely need to be much more worried about the parties telling barefaced fibs about each other.

Moreover, propaganda must strike a chord if it is to succeed. It is completely fair for the Tories to suggest that an incoming and inexperienced Labour administration might cause damage to the perfectly united nation and roaring economy that Conservatives have striven so hard over 17 years to construct, just as it is for Blair's party to capitalise on an almost terminal weariness with the exhausted husks who currently occupy the corridors of power. What is unlikely to work is a campaign that runs contrary to the electorate's perception. Mr Blair is an improbable

Beelzebub, as - for different reasons - is Mr Major.

So here is the real challenge for both of the two largest parties: Labour must explain to us how its new policies will work, simultaneously reassuring us and enthralling us - no mean feat. For their part the Conservatives must persuade us that there is a real reason why they should be given yet another term in office. And it must be said that, of the two tasks, Labour's is marginally the easier - only marginally, mind. As yet we know far more about what Labour plans to do in office, than we have been told about what will happen in a fifth successive Tory administration.

This is no accident. For all its confusions, Labour has broadly decided what kind of party it wants to be - though it hasn't fully grasped the implications of its own journey, and much can still go wrong. The Tories, however, stand on the threshold of their own ideological upheaval. A substantial and dynamic section of the party wants a thoroughgoing renewal of message and mission, but feel that such a change cannot easily be accomplished while still clinging to the reins of government. It has become very hard for Mr Major to propose great radical acts of government which satisfy all parts of his party, but almost as impossible for

him to settle back on a "safety first" strategy. And that is why, though we can expect, for the moment, an unusually literal representation of the old adage "better the devil you know", the debate will shift soon enough onto whether or not you can trust Labour, or whether you can bear another bout of new Toryism. It may well be that posters from either side will play only a very small role in making up our minds on those questions.

A paper in the ethical mire

There are circumstances in which a perfectly straightforward, up front, nothing-to-conceal, nothing immoral or untoward purchase of a newspaper story is just fine, and not under any circumstances to be condemned. Sadly for the *News of the World*, and its fascinating Mandy Allwood scoop, story-buying is rarely so clean and simple. In this case, whatever else we may think, the paper has got itself embroiled in an ethical mess. Whatever Ms Allwood decides to do now, the *NoW* will be tainted by the decision, unless it gets out - fast.

LETTERS TO THE EDITOR

Funding for science found on Mars?

Sir: What a relief to see Charles Arthur spoil the sport of those Martian enthusiasts ("Let the Martians come to us", 9 August). I am an astronomer, and while my kind may enjoy greater public appeal than most other scientists (no mice, no BSE, lots of big colour pictures) we do get embarrassingly expensive at times. Whenever some of the extravagance winds up in the swamp, I find myself fervently avoiding those colleagues across the road in life sciences who are struggling for rat feed and wretched for a week if they crack a Pyrex flask.

However, Mr Arthur is unjust to paint us all as rabid alien-hunting trekkies: if there really are fossils on Mars, this discovery is as important to those unravelling life on Earth as it is to those who seek (or fear) it elsewhere. One of the great frustrations to those many scientific disciplines concerned with the origin and evolution of life on Earth is want of a comparison: we have, as yet, only one example of a life strategy and so it becomes terribly difficult to isolate those features of it which are indispensable and those which are not (could, for instance, some other system replace our genetic code?). To uncover an independent fossil record - or better, genetic code - would have fantastic impact upon many fields of research. But it is here that I must praise Mr Arthur for bringing us humbly back to Earth: we simply do not have the technological ability to usefully (let alone economically) mine for Martian fossils. There is plenty of work to be getting on with down here (which could do with some of that nice Martian money) even if it is not so glamorous or photogenic as a trip to Mars.

JUSTINE KELLER
Glasgow

Sir: If confirmed, the findings by NASA, reporting fossilised life in the Martian meteorite, would provide evidence for what most biologists expect: that life is probably widespread in the Universe and may well have arisen wherever the conditions are suitable. It will be more interesting if the morphology and detailed biochemistry of alien organisms resembles those found on Earth. In that case we shall have to take both God and Wickramasinghe seriously.

On the other hand, the widespread assumption that evolution inevitably culminates in "intelligent" life forms, is based on a misunderstanding of Darwinian principles. Evolution has no direction. The only criterion is success in the generation game. Human self-awareness and ability to communicate arose very recently after billions of years of successful "unintelligent" life. In the long run it may not turn out to be a very advantageous trait, and our species may be a short-term aberration, eventually leaving the planet to more benign life forms. While we may be fairly confident that life exists elsewhere in the Universe, the likelihood of finding beings with communication skills is much more remote.

L H JONES
Falmouth, Bedfordshire

Sir: Patrick Moore suggests (9 August) that "We need more proof" that the Stanford meteorite came from Mars. He doesn't seem to dispute in



'Darling, I'm pregnant. We're going to have a publicist'

Pregnant with moral dilemmas

Sir: The heated rhetoric of Vatican officials about the destruction of frozen pre-embryos in Britain provides an interesting contrast with the cool acceptance of Cardinal Basil Hume. While Vatican officials deem the event a "prenatal massacre" and call on married women to "adopt" the orphan embryos, Hume is prepared to settle for a decent burial.

Perhaps Hume understands the complexity and pitfalls inherent in the Vatican's approach to the subject of frozen pre-embryos - perhaps he understands better than the Vatican that the history of the early embryo speaks against claiming "personhood" for such undifferentiated early life.

St Augustine said that "unformed foetuses perish like seeds which have not fructified", clearly seeing actual human life beginning at some point after the foetus has begun to grow. This ambiguity continues to modern times - the Vatican's 1974 Declaration on Procured Abortion specifically "leaves aside the question of the moment when the spiritual soul is infused". It is for this reason that funerals for spontaneously aborted or miscarried foetuses are not routine in the church. As recently as 20 years ago priests and health care personnel were prohibited by church directives from baptising miscarried or aborted fetuses in the early stages of pregnancies. Last rites are not administered.

In natural reproduction, there are thousands of embryos that are spontaneously aborted every day. One cannot help but wonder why church officials and anti-abortion groups are not lobbying for a research programme that would prevent such tragedies. The magnitude of such loss of life in their terms is far greater than any deadly disease we have faced from polio to AIDS.

Perhaps Cardinal Hume sees another problem with the Vatican approach. He knows that the church to date has forbidden artificial insemination with donated sperm, much less embryo transfer for married infertile couples. Arguing that embryo transfer and surrogacy is a lesser evil than destroying a pre-embryo, the Cardinal may reason, is the first step down a slippery slope in which contraceptives are seen as the lesser of two evils if they would prevent abortions; likewise the use of condoms to prevent the transmission of HIV. Fortunately, most Catholics already understand and accept these options.

FRANCES KISSLING
President
Catholics for a Free Choice
Washington DC

Sir: My husband's identical twin died at birth. Some years ago I asked him whether he had ever felt the loss, and he said it had never bothered him at all. I have known a number of other surviving twins with similar reactions, who show no sign of emotional damage.

Before we start assuring the sad mother who chose to abort a twin

that the survivor will inevitably be traumatised, we need better data. Anecdotal evidence, however poignant, is not enough. Only a study of surviving twins compared with other children could provide answers as to what extent and to what degree the problem may exist.

JEAN ROBINSON
Oxford

Sir: It is alarming that an organisation, with no knowledge of a woman's mental or physical health, was able to obtain an immediate injunction to delay or prevent legal medical treatment which had been agreed between the woman and her doctor ("Pro-life crusade is terminated", 7 August). There should be a legal inquiry as to how this came about.

A pregnant woman faced with such an action would first have to find legal aid or substantial funds to fight it, and then engage in legal action, thereby revealing her name and details of her case. If she won, she would then face a more traumatic and dangerous abortion, since the pregnancy would be further advanced.

BEVERLEY A LAWRENCE BEECH
Honorary Chair
Association for Improvements in the Maternity Services
Ipswich, Buckinghamshire

Sir: I agree with Dr Kate O'Kelly (letters, 12 August) about the desirability of making adoption a more attractive choice for women with unwanted pregnancies. Unfortunately, for many such women, from 14-year-old schoolgirls to women who already

have children, the attraction of abortion is that, whatever the private emotional pain experienced, the pregnancy becomes to outward appearances as if it had never existed. The schoolgirl can continue her studies virtually uninterrupted, and the mother does not have to explain to her children why she is giving away their new sibling.

JANE NEWMAN
Southampton

Sir: I agree with Eric Stockton (letter, 10 August) that every woman should ask herself two questions. These questions should, however, be: "do I want a child?" and "have I reasonable prospects of giving my child a fair chance in life?" If the honest answer to either of these questions is in the negative then the woman has a moral obligation to avoid sexual intercourse, or take measures to prevent pregnancy. This is the point at which every woman has the choice.

LINDA M COCKSHAW
Brixham, Devon

Chichen hopes

Sir: Thank you for your editorial (10 August), in particular for your recognition that the responsibility for the war in Chechnya lies with the Kremlin and that the true was, sadly, only electioneering, as many, including myself, said repeatedly at the outset. Your call for peace negotiations and a political settlement is the only way forward.

I hope that President Yeltsin reads your newspaper.
CHARLES TCHIKOTUA
Ambassador at Large to the EEC
Chechen Republic
London SW3

Ending the Post Office monopoly

Sir: The suspension of the Post Office's monopoly on letter delivery is a crude, politically motivated act ("Couriers' chance to play postman", 7 August), but it exposes the fundamental competitive pressures the Royal Mail is facing. In particular the expansion of fax and e-mail is providing a choice of communication channels that benefits the consumer in the long run.

Private sector firms do not have the infrastructure of the Royal Mail to provide a comprehensive national letter delivery service at the current market price. A one-month suspension of monopoly status is ridiculously short given the sunk costs that TNT, DHL and others would have to invest in providing effective competition. Nonetheless there is scope for local delivery at a much lower unit cost in our major towns and cities. Private firms can create their own network of collection points much in the same way that Camelot has built up thousands of lottery terminals. It would not take long for users to become familiar with a range of competitive "service-providers" offering rapid letter delivery services within their area.

Ignoring the vindictive politics of the current dispute, the Government should permit a "market test" for private firms to provide delivery services over a two-year period. The £1 minimum threshold should be removed to let local consumers decide who they want to deliver their local mail. Prices would fall in urban areas (to a level much closer to the marginal cost of each letter delivered) whilst the Government could provide an explicit subsidy for those firms committed to maintaining, and improving, services to rural areas.

GEOFF RILEY
Newcastle upon Tyne

Judges step in where MPs fail

Sir: Few could argue with the central point of Lindsay Farmer's article ("Now judges speak out, but should we listen?", 7 August); that this country needs a formal written constitution together with a Bill of Rights. She is quite correct to say that without this, where powers are not clearly settled as between the political institutions, there will always be questions over the propriety of particular cases where ministers are the subject of judicial censure.

However, there is a danger that concentration on a few *casus celebres*, especially in the field of judicial review, will skew our perspective. The judiciary is a changing institution. The cause of a new judicial activism has more to do with the nature of the modern administration of government than it has to do with the politicisation of the judiciary.

The media only report a tiny minority of judicial review cases: research proves that the vast majority of cases will never have been as far as a grade 7 civil servant, let alone a minister. In the few cases that the judiciary do question a judgement of a secretary of state it is very difficult to see any usurpation of parliamentary sovereignty. In fact in checking the executive in new ways, it could be argued that they are often doing the job our representatives are failing in, for which many of us are grateful.

MICHAEL HARKER
Cardiff Law School
University of Wales

analysis

India may torpedo a ban on nuclear testing this week. But halting tests does not rid us of the weapons anyway, says Tony Barber

Is this our post-atomic dawn?

In two days' time, the world may know whether there is a chance of adopting what looks like the most ambitious arms control measure in mankind's history. Thursday is the deadline by which 61 nations hope to agree the text of a treaty that would ban nuclear weapons tests for ever.

It would not mean the end of the nuclear age, still less the dawn of eternal peace. More than 16,000 nuclear warheads, capable of delivery by inter-continental missile or bomber aircraft, remain, largely in the hands of the United States and Russia.

Apart from these, the nuclear powers possess more than 10,000 short-range and other warheads. Put more starkly, the total yield of all the world's nuclear weapons is sufficient to cause more than 300,000 Hiroshima-style explosions.

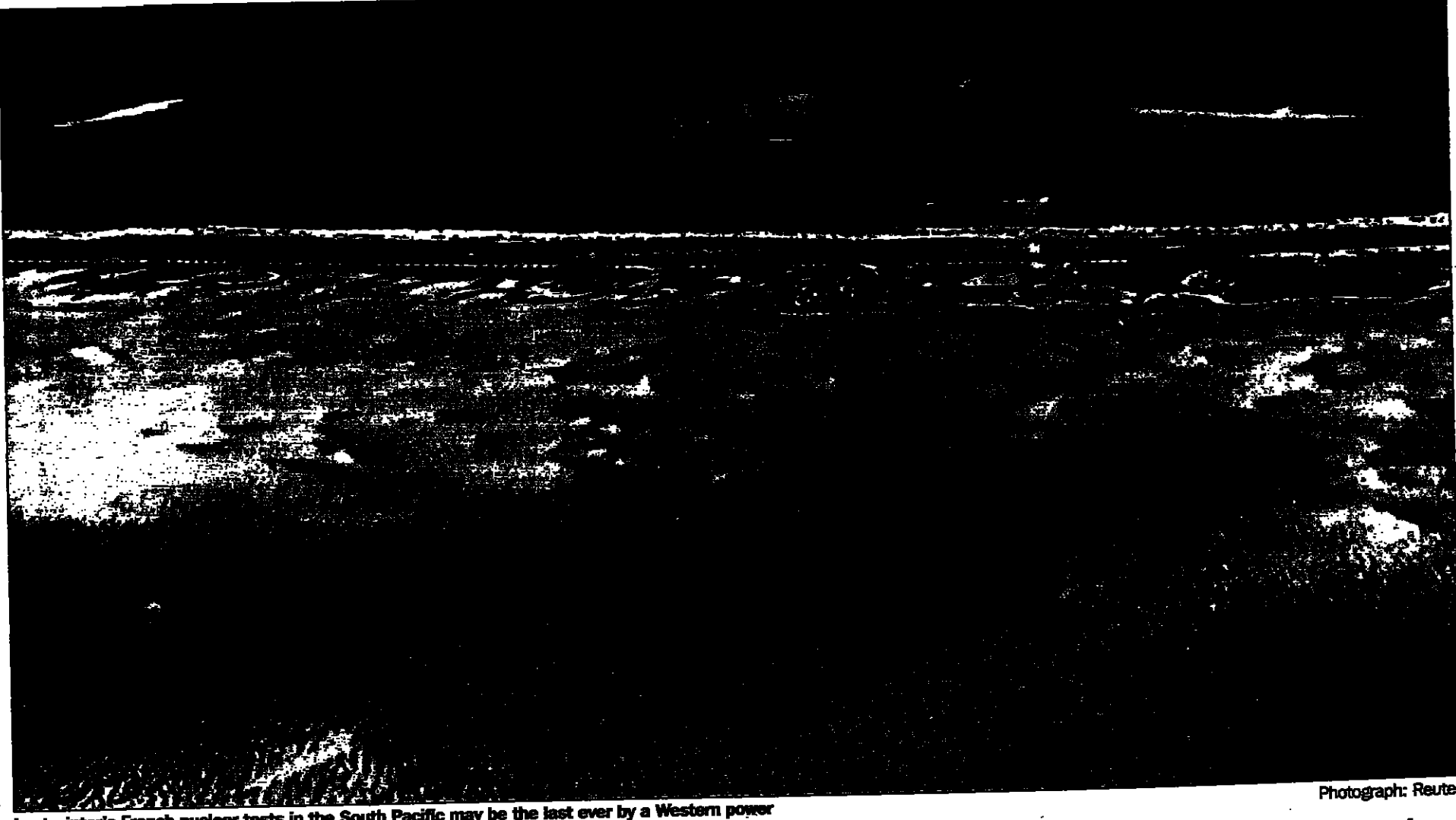
Nuclear deterrence, nuclear proliferation, nuclear madness - all these concepts will remain with us, whether or not the test ban goes ahead. Yet a ban on tests would represent a considerable achievement on a planet that has shuddered more than 2,000 times since the end of the Second World War from the impact of nuclear weapons explosions in the atmosphere, underground and in the water.

Most countries attending the Geneva talks on a Comprehensive Test Ban Treaty (CTBT) support the proposal to stop tests. Crucially, these include the five declared nuclear powers - Britain, China, France, Russia and the United States. All have now stopped testing. China last month and France earlier this year after a series of tests in the South Pacific that outraged world opinion.

Despite problems with Iran and Cuba, the main threat to the treaty comes from India, the only country openly opposing it in its present form. Along with Israel and Pakistan, India is a "threshold" nuclear power - a state that has nuclear weapons but does not admit it, or has enough fissile materials to build such weapons at short notice.

Some diplomats say that if India does not lift its objections, the question will remain whether the treaty is anything other than a piece of paper inscribed with noble intentions. It could still go forward next month to the United Nations in New York, where member-states would be invited to ratify it, but India's refusal to endorse the document could tempt some countries to regard it as a pious and irrelevant proclamation.

"India is running the risk of taking the full blame if the talks fail," a Western diplomat in Geneva said. "Everyone else realises this is the right treaty."



The history of test ban treaties

Last winter's French nuclear tests in the South Pacific may be the last ever by a Western power

Photograph: Reuters

Ironically, India's first post-independence prime minister, Jawaharlal Nehru, was among the earliest advocates of a test ban, making the proposal in 1954 as a way of halting the Cold War arms race. For India, the picture changed completely 10 years later, when its giant neighbour and rival, China, exploded its first nuclear weapon at Lop Nor.

In 1974, India conducted a nuclear test of its own. It has always described this as an explosion of a "peaceful nuclear device", but no one - least of all China and Pakistan, India's second great adversary - doubts that the test was a milestone on India's path to undeclared nuclear status.

India's objections to the CTBT are many and varied. One is that, unless the treaty is linked to a timetable for global nuclear disarmament, it will merely confirm the privileged position of the five declared nuclear powers.

From an Indian perspective, the willingness of these countries to abandon nuclear tests reeks of hypocrisy, since technological advances mean that they are all capable of simulating tests in laboratories. Declaring a test ban in these circumstances is, say the Indians, a little like locking the stable door after the nuclear horse has bolted.

The Indian government is also resisting a provision of the treaty that requires the five nuclear powers and India, Israel and Pakistan to ratify the pact before it becomes international law. The thinking behind this clause is simple: if a "threshold" power such as India does not sign the treaty, then other countries that may aspire to nuclear status will have a perfect excuse not to sign either.

India contends, however, that the requirement encroaches on its sovereign right to decide freely what international agreements it wishes to enter into. Last week the Indian representative in Geneva, Arundhati Ghose, proposed an amendment under which the treaty would take effect only after ratification by 65 states.

India's fundamental objection is that, if it were to ratify the treaty as it stands now, it would be tying one hand behind its back before any future conflict with China or Pakistan. The suspicious and fears that infect relations between India and its two neighbours may, in

the end, prove the downfall of the CTBT.

Having fought three wars with Pakistan since independence in 1947, India is constantly on the watch for some treacherous Pakistani move against Indian territory. It does not help that the Indian government is battling to put down a separatist revolt in the two-thirds of Kashmir that lies inside India's borders.

Although India's population of 850 million outnumber

to view the Chinese-Pakistani alliance with apprehension. It is a measure of the depth of India's security concerns that the main opposition party, the right-wing Hindu Bharatiya Janata Party (BJP), openly supports the deployment of nuclear weapons at a time when the rest of the world claims to want to move in completely the other direction. The BJP's foreign affairs spokesman, Brijesh Mishra, went further last week and said: "We must con-

The total yield of all the world's nuclear weapons adds up to more than 300,000 Hiroshima-style explosions

duct one or more nuclear tests in order to design nuclear warheads for our missiles."

In addition, Indian newspapers reported last Friday that the state-run Defence Research and Development Organisation had proposed to the government that tests of a controversial intermediate-range missile, the Agni, should be resumed. The Agni, which is named after the Hindu fire god, has been tested twice before, the last time in February 1994, but India has come under US pressure to drop the programme on the grounds that it raises tensions with China and Pakistan.

For some while after the CTBT negotiations began in January 1994, it appeared that China might prove as big an obstacle as India to a complete test ban. The Chinese were particularly opposed to a proposal, advanced by the US, that information gathered from satellites and other forms of technical intelligence should be used as the basis for making a request for "on-site inspections" of nuclear facilities.

"Pakistan isn't the top worry for India. For them, China is always top of the list," said Bates Gill, an analyst at the Stockholm International Peace Research Institute.

China fought a brief border war with India in 1962 and, partly on the principle that your enemy's enemy is your friend, has maintained a long-standing military relationship with Pakistan. Both the Chinese and Pakistanis have denied Western press reports that China has supplied Pakistan with M-11 missiles for delivering nuclear warheads, but India continues

Essentially, the Chinese viewed this proposal as a licence for espionage. They also argued that inspections should not go ahead unless a two-thirds majority of the treaty's 51-nation executive council voted for them, whereas the US said that a simple majority vote should suffice.

Last week, in one of the major breakthroughs of the talks, the US and China reached a compromise. The US agreed that the number of votes required to trigger an inspection should be raised to 30, while China undertook to use its influence on Pakistan to make it sign the CTBT.

The US also appears to have assured China that it will not use information acquired by spying to demand inspections. In return, the Chinese promised that, should India refuse to endorse the treaty, they will still co-operate with US efforts to send the document to the UN General Assembly for signing.

This compromise makes clear that the US sees value in adopting the treaty even without Indian approval. The reason is that if, after three years, the treaty has still not come into effect because of Indian opposition, a new conference can be held to decide on measures to accelerate the ratification process.

This clause could be interpreted to mean that the treaty, far from being buried because of Indian objections, has "provisional application". Those states that sign the treaty will be bound never to conduct a nuclear test, while those that do not sign will be under extreme pressure not to carry out a test because the weight of international opinion will be overwhelmingly against them.

Officials in New Delhi have expressed concern that the US and other powers might attempt to use the conference three years from now to impose economic sanctions on India for not ratifying the CTBT. However, the US Secretary of State, Warren Christopher, wrote a letter to the Indian government pledging that the US had no intention of penalising India in this fashion.

Another way of saving the treaty, if India refuses to approve it, is to omit the names of the eight countries whose ratification is needed to make it operative. However, India may not regard such a step as meeting its substantive objections.

As a former Indian foreign minister, AP Venkateswaran, indicated, India's worries about China and Pakistan are so profound that it is ready to endure isolation as the price of rejecting the treaty. "It is better to die on your feet than to live on your knees," he said.

The Geneva talks are so tantalisingly close to success that it seems unlikely that the US and the other four declared nuclear powers will let them break down completely. Yet it cannot be stressed too often that the CTBT is not an act of nuclear disarmament and may not even serve as an incentive to disarmament.

Perhaps the most telling episode at the Geneva talks happened last Thursday, when 29 developing countries proposed immediate negotiations on a timetable for destroying nuclear arsenals by 2020. The proposal was dismissed as wildly utopian by the chief US delegate, Stephen Ledogar, who called it a "long, complicated wish-list that would amount to all nuclear weapons states being required to... destroy in accordance with a timetable dictated by others. That is simply not in the cards for the United States, or indeed for any of the other nuclear weapons states."

DVLA P-PREFIX SELECT REGISTRATIONS ARE NOW AVAILABLE

call **0181 200 6565** today

To order your personalised registration first choose from one of the 53 special numbers to place after the initial "P" eg P10 (P1 carries a price premium). You now have the first half of your registration. Then add virtually any three letters (except I, Q and Z) to complete the registration. Have a few alternatives ready in case your first choice is not available. Next call the Registration Hotline. You can pay by Visa, Access or cheque. Prices start from £399*. Even if you've already bought a new vehicle it's not too late to buy a DVLA Select Registration.

Many B, J, K, L, M, N and some A and H prefixes are still available. Following recent price reductions, all start from £250* (except B prefixes which start from £399*). Numbers 1-20 are available with all prefixes. J, K, L, M and N prefixes have an even wider selection of 53 special numbers. Buy yours today quoting Ref 11308.

* Includes of VAT and CRD assignment fee

IF IT IS YOUR INTENTION TO MIS-USE OR MISREPRESENT YOUR REGISTRATION IN ANY WAY, DO NOT BUY. All numbers shown and any examples used are for illustrative purposes only. DVLA reserves the right to withhold certain registrations, some of which may be offered for sale at auction. Numbers are sold subject to the Sale of Registration Mark Regulations. Registrations available for purchase are those within the scope of the DVLA sales scheme. Figure combinations outside the Select Registrations and Custom Mark schemes are not available. Registrations cannot be used to make a vehicle look younger than it is.

Bacon in the flower shop? Of course...

I met a man in Edinburgh yesterday who wanted me to go to the Chinese State Circus. The very good reason for this is that he is the man responsible for bringing the Chinese State Circus to Britain, and to the Meadows in Edinburgh where they currently reside.

"They're wonderful," he told me, with the simple, child-like faith of a man who has invested a lot of money in bringing them here. "And they have brought skills here we have never seen from the Chinese before - or rather, rescued some skills we thought they had lost. They've brought bicycling back," he added in a dramatic whisper. "The things they do with bicycles..."

Well, I hope they are careful. If they should ever get out of the circus and cycle round Edinburgh, I hope they never have to go on the cobbles. Doing somersaults on a bike in mid-air is one thing. Riding on Edinburgh cobbles is another. If you buy the very efficient *Cycling Map of Edinburgh*, you will see that many of the streets, especially in the New

Town, are marked in bright red, the way public houses used to be marked on old temperance maps of Victorian London. And for the same reason: these streets are the work of the devil. They are cobbled, and therefore hell to bicycle on.

I know whereof I talk, because I have just made my annual pilgrimage to the Edinburgh bicycle shop in the London Road known as Sandy Gilchrist to hire a bicycle for the duration of the Festival, and I came back along some long, cobbled streets. This produces the kind of fast vibration that shakes the body violently and knocks the shopping off the back of the bike and which, in a plane, would have the pilot announcing: "I am afraid the turbulence has got so bad that I am seriously thinking of landing in the sea; unfortunately we are 300 miles from the sea..."

I also noticed a curious effect on my left-hand little finger, which carries a small ring, dating from some more flamboyant period of my life, which I now find very hard to

get off. To my amazement, I noticed that the fast, minuscule vibration of the cobbles was causing the ring to slide down my finger very slowly but surely and threaten to leave it. If any reader has a ring they cannot get off their thickening fingers, let them come to Edinburgh at once and hire a bike.

The other first thing to do when staying in Edinburgh is to locate the nearest shops for soft, floury rolls, whisky, photocopying, etc. I asked at the local croissant shop (yes, they are here too) where I could get bacon nearby.

"Your best bet," said the girl, "is Carr's flower shop, or the Paki down the road."

An odd recommendation for bacon - either a florist's or a Muslim shop. But it turned out that they both had bacon, and it turns out that there is nothing pejorative about "Paki" - it's just the local word for an Asian shop. Anyway, I don't suppose the Scots would look down on a nation like Pakistan which was giving England a cricketing lesson.

I went to the Asian shop to get a paper and some milk. There was a man in front of me in the queue also buying papers.

"What papers have you got there?" asked the Pakistani proprietor.

"Wreck Instar," said the man in a thick Scottish accent. "Fine," said the Pakistani. Playing the brief exchange back in my mind, but at a slower speed, I realised that what the man had said was "Record and Star". I also realised that I had found it perfectly easy to understand what the Pakistani was saying but hard to make out the Scotsman. In addition, I realised that the Pakistani had understood the Scotsman long

Miles Kington

before I had worked out what he was saying. I felt there was a moral here, but wasn't sure I wanted to pursue it.

I am not sure it has occurred to me before, but although there is a very strong Asian presence in Edinburgh and Scotland generally, I am not aware of any West Indian presence - which, having lived in Notting Hill for years, I had come to expect in a big city.

Not of course, that there is any guarantee that an Asian community will always be at peace with itself. I have a cousin who lives in Perthshire. There are two Indian restaurants in his local town. I said to my cousin one day that it was good having two Indian outfits, because then they would have each other for company.

"I believe they are not even on talking terms," he said.

"Because of some religious difference?"

"Worse than that. A regional difference. One lot is Dundee Indian and the other lot is Glasgow Indian. So they don't talk."

0181 200 6565

A step closer to the dictators' treasure chest

The Zurich banks hold much more than wartime gold, says Nicholas Faith

A group of Swiss bankers and representatives of world Jewry, under the chairmanship of Paul Volcker, the former chairman of the Federal Reserve Board, has recently been set up to sort out, once and for all, the fate of the riches entrusted to Swiss banks by the Jews of Germany and Nazi-occupied Europe before and during the Second World War.

But the commission's importance lies not so much in the historic injustices it may rectify, but in the precedent it sets. It could represent a turning point in international legal history, and an unprecedented opportunity to return to the populations of underdeveloped countries some of the loot plundered by their rulers over the years.

In the past, the Swiss have held with incredible tenacity to their sovereignty in guarding the money

entrusted to them. For years after 1945, they fought a superb diplomatic and legal battle to prevent the Allies from getting at the enormous sums deposited by individual Nazis - far larger than those of Jewish origin. But their acceptance of the international nature of the Volcker commission shows that they are now sufficiently worried to relinquish a portion of their independence. So anxious are they to give the right, albeit misleading, impression of rectitude that one of their representatives on the commission, Hans Baer, is chairman of the only Swiss bank that did not actively work for and with the Nazis (the bank, Julius Baer, was in fact paymaster for the OSS, the wartime predecessor of the CIA).

This breach in the citadel provides a precedent, not for unearthing further Jewish or Nazi funds, but for trying to return to their rightful owners the far bigger sums deposited by most of the dictators who have ruled so many countries in the Third World since

the 1960s one cynical World Bank official estimated that a sum equivalent to all the aid distributed to Latin America had been funnelled into Switzerland.

The Swiss have already relented in their previously unbending attitude to the guardianship of such

earlier pressure, they also claim that the banks now know the identity of the beneficiaries of all the assets (and no one knows how much: we're talking of hundreds, or even thousands of billions of dollars) managed by Swiss banks. It would thus be perfectly possible to extend the work of the Volcker commission to include claims by the dictators' successors to reclaim the assets on behalf of the country involved.

Of course there are innumerable difficulties in putting such an idea into practice. The definition of the people whose assets would be under scrutiny would have to include not only the dictator, his family (and mistresses) but also his closest associates. It would also be ridiculous to allow what one might call "unwor-

thy" successors to a corrupt regime to get their hands on the money - I'm thinking here of successive rulers of Nigeria, a country which has provided lots of valuable clients for the banks since independence.

Finally, to prevent the money being moved elsewhere, the commission would have to have international backing to supervise the same search in other havens for illicit money. None of these - including Liechtenstein, the Cayman Islands and the Channel Islands - have the same infrastructure, the same tradition or the same reputation as the Swiss. But if a suitable international legal structure could be created, based on the precedent set by the establishment of the Volcker commission, the world's poor could benefit to the extent of sums undreamed of by the world's aid agencies.

This could be an opportunity to return plundered loot to underdeveloped countries

1945. The precedent was set by President Juan Peron (don't cry for him Argentina, his money was securely tucked away) and he has been followed by every tin-pot autocrat you can think of - as early as

money, and have been relatively helpful in a number of cases recently - most notably that of President Marcos of the Philippines - although they work on a case-by-case basis. As a result of

A devil of a game to play

Casting Tony Blair as the devil may backfire on the Tories, but should Labour ignore it or reply in kind?

To understand the reference point for the Tories' latest anti-Labour newspaper advertisement, it is worth tuning into *The Stand*, the watchably vacuous Stephen King TV mini-series. The high point of the series' supernatural hocus is a diabolic figure who looks normal except that his eyes, like those of Tony Blair in the ad, turn into piercing crimson orbs whenever he meets resistance to his will. On the cover of the King novel *It*, similarly menacing red eyes stare out from a street drain. Consciously or not, Brian Mawhinney, the Tory chairman, and his advertising guru Maurice Saatchi are using the visual idiom of the master of best-selling junk horror.

The depiction of Tony Blair as Stephen King super-villain is a new low point, even in an age of increasingly negative US-derived campaigning. For even the most tendentious and scarily negative advertisements during previous British and American campaigns have been about something: a policy, such as Clinton's economic record in Arkansas, or a decision, such as that taken by Michael Dukakis to parole a black convict. But Sunday's advertisement in three national newspapers doesn't attack Labour on specifics at all.



DONALD MACINTYRE

advertising, that criticism will no doubt be airily dismissed as hopelessly high-minded. Tory campaign managers believe that one fault of the Bush 1992 strategy was that it wasn't negative enough. There was a tendency, they say, among Republican spin doctors to criticise Clinton for "flip flops", the transatlantic equivalent of the U-turn.

The danger of that is that if you accuse your opponent of a U-turn, you are really saying to the voters little

views carried out for Labour in central London yesterday morning - 40 per cent said it made them less favourable to the Tories and only 4 per cent more so. But what people say about an advertisement is only part of the story of how they respond to it. Even Tory strategists admit privately that Blair scores much more highly than John Major as a strong leader, but they claim that his rating as reliable and honest is not as high. If they can translate his strength into something demonic, far-fetched as it may seem, then they will have succeeded. The fact that the voters don't see Blair as dangerous is precisely a reason, in the minds of Tory campaigners, for trying to make him seem so.

So Labour should hit back. But how? As it happens, the lines of its potentially most successful strategy are already clear. In the next few days, billboards will go up both in the UK and - to reach Britons in their most popular holiday destination - in Spain, denouncing "The Same Old Tories, the Same Old Lies".

There is a risk in this strategy because it cuts across one of the older conventional wisdoms of campaigning: that by defending yourself against claims made by your opponents, for example on tax or law and order, you help to give credence to those claims. But part of the failure of the Kinnock campaign in 1992 was that if you don't rebut the claims early enough they are more likely to stick.

But the second point is that however technically powerful a campaign it mounts, Labour shouldn't reply in kind. Interestingly, only a minority (20 per cent) of voters interviewed for Labour yesterday's sample thought that the party should respond at all; but even they thought it should do so in a different tone. If it doesn't base its own campaign in solid fact, it can't make an issue of the techniques that the Tories are using. And by making an issue out of the Tories' campaign, it may strike a chord with an electorate deeply cynical about the claims of all politicians.

Nor is this just a matter of Sunday's depressing content-free advertise-

Opinion polls show an overwhelming hostility to the Tories' strategy

ment, but that now he's got it wrong before but that now he's got it broadly right. This is rather what Bob Dole has just done in response to President Clinton's decision to allow through the Republicans' welfare Bill. By contrast, the Tories did not use that tactic at a moment when they might have - on Tony Blair's decision to hold devolution referendums on Wales and Scotland. U-turns are benign corrections of previous errors. They certainly don't frighten the electorate. And that is what Dr Mawhinney is determined to do.

The question is, how should Labour respond? It will resist the temptation to ignore it altogether. Opinion poll findings on the "New Labour, New Danger" strategy, of which Sunday's advertisement was an integral part, show overwhelming hostility to it. So, too, did an instant series of 50 inter-

THE FORBIDDEN: THINGS A PARLIAMENTARY CANDIDATE MAY NOT DO.



Top of the Illustrated London News's 1910 list of tactics forbidden to parliamentary candidates: 'The candidate may not call his opponent a liar, or slander him in any way ...'

ment. Michael Portillo implied yesterday that a Fabian pamphlet by a Labour candidate meant that the party was threatening the monarchy. As Frank Dobson pointed out, it no more does that than a recent article by a Tory candidate proposing "MonWatch" - a body to regulate the monarchy.

According to an *Evening Standard* article yesterday by Peter Mandelson, head of Labour's election campaign,

Mr Blair "will not be dragged down into the Tories' gutter" and will instead focus on "Labour's message about the country's future". It remains to be seen how far Labour carries out those brave words in practice. But it is probably in its own interests - as well as that of the national political debate - for it to do so.

There is some high ground here, which Conservative Central Office seems hell-bent on vacating.

THE CENTRAL FACTS FROM THE COURSES YOU ALWAYS MEANT TO TAKE. IN 25 LECTURES

Modern architecture began partly as a reaction to the carnage of the Western Front and to the Spanish 'flu epidemic that swept mercilessly through Europe in the wake of the First World War. Modern architecture offered a clean, white and brave new world. It was a radical covenant between architect and society in which hygiene, sanatoria, sunbathing and swimming played key roles, where windows were big to let in healthy daylight, living accommodation was raised off the sullied ground on stripped classical pillars that Le Corbusier (Charles-Edouard Jeanneret, 1887-1965), the greatest of all Moderns, called "pilots", and in which all forms of decadent excess recalling the decadent culture that had led to the slaughter of the Somme, were put away.

Modern architecture was, thus, a kind of *tabula rasa*, a cultural Year Zero, a second Renaissance with Corb's Palladio and Mies (Ludwig Mies van der Rohe, 1886-1969) its mystic master. "Less is more" said the Bauhaus architect as he built some of the century's most severe and enigmatically beautiful buildings.

Zealous iconoclasts took up the Modernist battle cry, "form follows function", a misreading of the famous dictum of Louis Sullivan (1856-1924),

the Chicago architect mus-ing, in Aristotelian manner, on the way in which the natural world adopts myriad particular forms to express its manifold functions. To many Modernists, functionalism meant machine culture, an ultimately soulless creed.

Evelyn Waugh was quick to satirise this new breed of designer in the character of Otto Friedrich Silenus in *Decline and Fall* (1928), picking up on Le Corbusier's famous and widely misinterpreted dictum, "the house is a machine for living in" (*Vers une Architecture*, 1923). Professor Silenus attracts the attention of the incurably fashionable Margot Beste-Chetwynde, owner of King's Thursday, the finest Tudor house in England, with the rejected design for a chewing-gum factory published in a progressive Hungarian quarterly. The Tudor house is replaced by the factory. "The problem of architecture as I see it," explains Silenus, "is the problem of all art - the elimination of the human element from consideration of form."

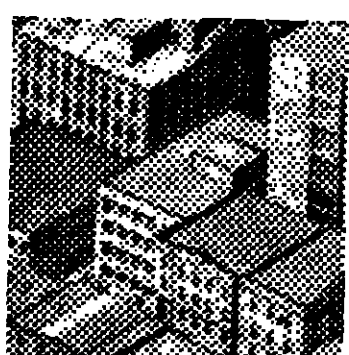
Up to a point Waugh was spot-on. When humourless zeal was combined with iconoclastic posturing (Le Corbusier dreamt of demolishing Paris north of the Seine, replacing it with a grid of geometric skyscrapers), humans were sentenced to live in con-



WEEK 2 DAY 2

Modern Architecture
LECTURER: Jonathan Glancey

A final examination will be set at the end of term.
All graduates will be awarded a diploma and the ten best results will receive a year's subscription to the Independent



crete and steel termite's nest. Modern architects were widely influenced by abstract art, atonal music and the aeroplane; yet, in trying to break away from architecture's earthbound restraints, they were expecting too much of the majority of people who, unlike them, took comfort in the past, in decoration, brick, stone and old street patterns. Modern architecture was a crusade striking out high-mindedly for a new Jerusalem, but most people just wanted to stay at home.

In Europe, Modernism was a faith: in the United States it was simply a style. American architects were not burdened with the philosophical principles and sociological concerns of Le Corbusier and Professor Silenus. For them, Modern architecture, or "International Style", was all about glamour, elegant, open-plan buildings, refined materials, making a buck and having a ball.

Modern architecture arrived late in Britain, becoming the norm only after the Festival of Britain (1951). At first it was wholesome, but not much fun. Then it was taken up by developers and government agencies who liked it because, stripped to structural basics, Modern buildings were quick to build. The British confused Modern with cheap, while the most avant-garde

Fifties' architects (too self-important to be kidding) labelled themselves "Brutalists" and designed wilfully ugly buildings at great expense.

The reaction to Modernism began with conservationists (John Betjeman wrote an essay on "The Death of Modernism" in a 1929 number of the *Architectural Review*), but was given focus among architects by Robert Venturi's (b 1925) polemic *Complexity and Contradiction in Architecture* (1966), in which the American architect declared "Less is a Bore", the rallying cry of Post-Modernism. Post-Modernism (anything goes, especially overblown classical details and unfunny visual "jokes") encouraged a rash of new "isms" (Deconstructivism, Minimalism) and "wasm" (Neo-Classicism, second time round), but has played itself out, while Modernism has mutated and progressed into new forms of architecture ranging from the lustrous Hi-Tech of Sir Norman Foster and Sir Richard Rogers to the sophisticated concrete sculpture of Japan's Tadao Ando. The Modern Movement may have died the death of a thousand cuts, but Modern architecture waltzes intriguingly into an unknown and endlessly fascinating future.

Tomorrow: Tragedy

The toaster that became a slice of Eighties life

Ann Treneman wonders what to do with her Dualit

Sarah Ban Breathnach used to think life had to be perfect. Now she knows it just has to be perfectly simple. Throw out those shoulder pads, forget the Filofax, downsize the Dualit. The Eighties are dead and finally we know what the Nineties stand for: simplicity itself.

Breathnach knows this because she's making a mint out of her book, *Simple Abundance: A Day Book of Comfort and Joy*. This book of essays - don't miss "The Art of Putting" - has sold more than one million copies in the US and has been near the top of the *New York Times* best-seller list since April. She is now working on another book, called *Authentic Success*, at her home in Maryland and I am hoping one of those chapters is going to be entitled "What Do You Do with the Dualit?"

This is one of the questions that haunt as the Eighties fade away. Let's face it, the Dualit toaster (or the home was the Eighties. It is oversized, shiny, expensive and wears its label on the outside. It is, as they say, aspirational. The Eighties kitchen counter was cluttered - what with the pasta maker, the espresso machine, the industrial-size juicer - but no one minded clearing the equivalent of a hectare or two for the Dualit.

The others are now safely out of sight but the Dualit remains. After all it was more of an investment than an appliance: downsizing the toaster is just too ruthless. Here we begin to show some similarities to the tribe in the South Seas that is rumoured to worship a washing machine. Could it be the Dualit is also divine?

Other Eighties relics are easy to dispose of. Off the coast of New Jersey some inventive souls are recycling tyres by sticking them together with concrete and dropping them into the ocean to make a "reef". Shoulder pads could be sunk in this way too. Filofaxes are worth saving for the leather alone (remember, BSE Britain could be cow-less in a decade).

A Dualit reef is unthinkable. Clearly we need another strategy. I turned to the Conran Shop for advice. Its spokeswoman, Bridget Bodoano, is a Dualit-owner herself: "I think the thing to do is to carry on using it. It's such a good thing. They are just timeless." The stylist at *Kitchens, Bedrooms and Bathrooms* magazine also assures me its curves are fashionable.

"We're selling them like hot cakes," says Ms Bodoano. "Have you seen they are doing colours?" Dualit, still a family business based in south London, provides hue details: now you can toast in Canary Yellow, Cobalt Blue, Mint Green or something called Utility Cream.

So this is what you do: update. Or you could just grin and bear it - making sure that a sleek tea kettle is also visible - and wait for the Eighties revival. It won't be long and I'm sure Ms Breathnach would agree that's the simplest thing.

With us, no middleman takes a cut of your PEP.



The Direct Line Tracker PEP.

Like everything we offer, the new Direct Line Tracker PEP gives our customers superb value. We pay no middleman, our charges are lower than most, and we invest in 100 of the UK's largest companies.

You can start investing with a minimum lump sum of £500, or make regular monthly investments from £30, up to the maximum of £6,000 a year. If you want to make the most of your money, call us now quoting reference number 3R1A.

LONDON 0181 253 7737	MANCHESTER 0161 832 7737	LEEDS 0113 259 7737
BIRMINGHAM 0121 711 7737	GLASGOW 0141 889 7737	PRISTOL 0117 945 7737

CALL ANYTIME 9AM TO 5PM MONDAY TO FRIDAY AND 10AM TO 5PM SATURDAY. Direct Line Trusts Limited markets only its own products and is regulated by the Financial Services Authority and FPC. Direct Line does not offer investment advice nor make recommendations about your added security all telephone calls will be recorded. We may also monitor telephone calls with the aim of improving our service to you. "Direct Line" and the red telephone icon are trademarks of Direct Line. Direct Line Trusts Limited, PEP Dept, PO Box 993, London EC4A 3DB.

£50m bid underlines Sainsbury's US ambitions

NIGEL COPE

J Sainsbury underlined its ambitions in the United States yesterday when it confirmed it is in talks with Dutch retailer Royal Ahold to buy a dozen stores in Connecticut for an estimated £50m.

The deal includes 12 stores and two sites and comes just a week after Sainsbury increased its stake in Giant Foods of Washington to almost 20 per cent. That deal, worth \$62m, is seen as the prelude to an even-

tual takeover of the whole group which would cost Sainsbury around £1.2bn. "Sainsbury has set its stall out to expand in the US in the same way as Tesco has targeted Europe," one analyst said. The acquisition of the Connecticut supermarkets was widely expected as part of Royal Ahold's recent purchase of the Stop & Shop chain on America's East Coast. Sainsbury will conduct the deal through its Boston-based Shaw's subsidiary whose stronghold is in Massa-

chusetts though it has also expanded into Rhode Island, New Hampshire and more recently, Vermont. The stores will be changed to the Shaw's name. Some analysts have questioned Sainsbury's expansion into the US where margins and returns are lower and the supermarket operators, which are regional rather than national, do not have the same bargaining power with food manufacturers. But others say there is scope for Sainsbury to bring its UK skills to bear on the sector by

introducing better systems, cutting costs and improving margins with the introduction of more own-label lines. Shaw's, which Sainsbury acquired in 1987, has been performing well over the past two years with strong sales and improving margins. Shaw's penetration of own-label lines stands at 40 per cent of total sales, though this is still lower than the 60 per cent penetration in Sainsbury's UK stores. Sainsbury is expected to buy the remainder of Giant within

the next two years. The group's co-founder, Israel Cohen, died last November at the age of 83. The finance director, another octogenarian, recently retired. However, before Sainsbury makes a large US acquisition it is under pressure to improve its performance in the UK where it has been losing ground to rivals Tesco, Sainsbury and Asda. The company had caused to cheer yesterday with new figures suggesting that following the launch of its Reward loyalty card in June, Sainsbury is starting to

claw back some of the lost sales. According to figures from market research group AGB, Sainsbury's market share rose to 21.1 per cent in July, up from 20.6 per cent in June and 20.1 per cent in May. Tesco's market share fell to 22 per cent in July down from 22.8 per cent in June. The Reward card has 5.5 million cardholders and is adding new members at the rate of 100,000 a week. Sainsbury said: "It's early days yet, but the loyalty card is

having the desired effect on our market share." However, some City analysts say he sales increases are not enough to cover the costs of administering the card. Sainsbury has already said that increased costs, including the launch of the card, will affect its interim profits due in October. NatWest Securities' indicative forecast suggests that Sainsbury's half year profits will fall by around 9 per cent to £412.420m compared with £451m in the same period last year.

Inflation at lowest level for a decade

MAGNUS GRIMOND

The Chancellor of the Exchequer, Kenneth Clarke, was yesterday handed further ammunition to fend off Bank of England pressure for higher interest rates after underlying factory gate inflation in July hit its lowest level for decades.

Official figures showed the cost of industry's raw materials grew by 2.2 per cent last month, down 0.1 per cent on June, while the prices charged at the factory gate grew by 2.2 per cent, compared with 2.5 per cent the previous month. Stripping out volatile items, defined as food, drink, tobacco and petrol, the underlying input price fall was the biggest for nearly 10 years, while the increase in output prices was the smallest since November 1967.

The figures were described as "excellent" by analysts, who said they provided further good news for the Chancellor on retail prices, with the July index due to be announced on Thursday. Adam Cole, economist at HSBG Markets, said the data showed minimal price pressures on both the input and output side. Furthermore, he suggested that with producer output prices being a lead indicator of retail price inflation, "it looks as if the market is likely to be pleasantly surprised by the RPI data at the end of this year and the beginning of next."

Morgan Stanley economist Kevin Gardiner said the latest figures were not enough to justify a further rate cut, but they should help Mr Clarke fend off calls from the Bank of England for higher rates "for a good few months yet".

He will be buttressed by news today of a slowdown in high street sales in July. A survey by the British Retail Consortium showing sales growth slipping to an annual rate of 5.4 per cent in July from 7 per cent in June has led to a call for restraint on any rise in interest rates. Andrew Sentance, chief adviser to the BRC, describes the underlying trend of retail sales as healthy. The slowdown should allay fears that consumer spending is rising too strongly. "Calls for higher interest rates to head off inflationary pressures are premature to say the least."

The fall in July output prices was the third successive monthly fall, the only string of such declines since the series began in 1963. Core output prices dipped by 0.1 percentage points on the month to 1.5 per cent.

Hotels flotation signals early Lonrho break-up

TOM STEVENSON
City Editor

The break-up of Lonrho could be complete within three months, well ahead of the schedule set out in June when the demerger was first announced. The conglomerate announced yesterday it would be selling its Metropole to Princess Hotels and its African trading operations could follow within weeks.

The double demerger, which will mark the completion of chief executive Dieter Bock's dismemberment of former Lonrho boss Tiny Rowland's fiefdom, was given a significant boost by confirmation of the proposed hotels sale. Proceeds of a planned international public offering of shares in Princess Metropole Hotels, estimated at between £600m and £800m, will all but wipe out Lonrho's debts, clearing the final hurdle to the subsequent sale of the agriculture, food processing and car distribution businesses.

Lonrho's debts are estimated at £830m, boosted by the £251m acquisition, completed last week,

of a minority stake in Metropole Hotels which Tiny Rowland had sold to the Libyan government in 1992. It has not yet been decided exactly how much debt will be transferred to Princess Metropole but it is expected to be a strong capital base to fund its development plans after the flotation.

Current Lonrho shareholders are expected to be given priority on applications for a proportion of Princess Metropole's shares. They will not, however, be offered a discount. All shares are to be issued at one price for all investors. Following the demerger, the group will be headed by chief executive Martin Bolland who joined Lonrho in 1981 as a head office accountant. Between 1983 and 1985 he ran Princess Hotels in New York and then moved to Metropole where he was managing director.

Peter Harper, a non-executive of Lonrho since 1993 and currently director of parliamentary affairs at Hanson, is to be the company's non-executive chairman. The second demerger will trigger the placing of Dieter Bock's 18.5 per cent stake in Lonrho to the Anglo-American Corporation of South Africa,

which would then become the largest shareholder, and effective parent, of the rump Lonrho mining business. Analysts expect Lonrho, which controls some of the world's richest gold and platinum mines, will ultimately be bid for by Anglo.

Mr Bock plans to use the proceeds of selling his Lonrho stake, worth £240m at the current share price, to pay off personal debts and to invest enough in the African trading business, which he will head up, to take a stake of between 20 and 25 per cent. A prospectus for the sale of the hotels business, which includes 5 Metropole conference hotels in the UK and 10 luxury resorts in the US, Mexico and the Caribbean, is due to be issued in the first week of September followed by a book building operation and first dealings towards the end of the month.

News of the offer sent Lonrho's shares 3p higher yesterday at 171p, reversing a steady decline this year from a high of 217p in February. As with Hanson, which is also in the throes of breaking itself up, the announcement of the demerger, which is designed to enhance shareholder value, has actually

been taken badly by the market and the company is trading at a substantial discount to some estimates of its break-up value.

Analysts believe, however, that the timing of the hotels sale is astute, in the middle of the most buoyant period for the industry since it emerged from the slump in international travel in the wake of the Gulf War. The sector has attracted plenty of stockmarket interest this year, with the take-over of Forte by Granada and the flotations of Macdonald Hotels, Millennium & Copthorne and Jarvis. Princess Metropole has a good trading record, with operating profits in the past two years growing from £17m to £42m. Analysts believe it provides an unusual exposure to specialist niches, such as the profitable conference market, a good geographical spread and a significant potential to expand its existing hotels.

Lonrho plans to hold on to its African hotels, which include safari lodges in Kenya and beach hotels in Mauritius. Princess Metropole will, however, have an arms length contract to manage the hotels.



Double demerger: The dismemberment by Dieter Bock (above) of the former Lonrho boss Tiny Rowland's fiefdom has been given a significant boost by confirmation of the proposed hotels sale

£25m Sorrell share option jackpot within reach at WPP

MATHEW HORSMAN
Media Editor

Martin Sorrell, head of WPP and potentially the highest paid advertising executive in Britain, last night stood on the verge of triggering the second tranche of a controversial share incentive scheme worth up to £25m.

The first target, 198p, was reached last month, and must

hold for 60 consecutive days before Mr Sorrell receives his initial block of 1.1 million shares. A second lot of 1.6 million shares will be awarded if the shares reach and remain above 230p, again for 60 days. Thereafter, further shares would be awarded at 265p and 304p.

The shares rose 7p yesterday to 221p, just 9p below the second trigger, after the company

announced sharply higher interim profits of £56m and exceeded operating margin targets set last year.

"These were very good results indeed," said one leading analyst, who revised his full-year expectations to above £150m.

Mr Sorrell said a lower tax charge of 35 per cent, against last year's 41 per cent, helped fuel the rise. "We are now

more in line with the tax charges of most companies with our international scope," he said.

Revenues were up by 10 per cent, with net new business totalling £587m in the half. "We are particularly pleased that our revenues have increased by 10 per cent while our staff costs were up only 3 per cent," Mr Sorrell said. "That means our productivity is improving."

Operating margins were 10.2 per cent, and the company hopes to see this rise to 11 per cent by the end of the year. "I am still looking at our main competitors, whose margins are higher, and know we must do better," he said.

Both the main international agencies, Ogilvy & Mather and J Walter Thompson, reported strong revenue growth in the

quarter, helped by new business from large clients such as IBM, Kodak and Kimberley Clark. Hill & Knowlton, the public relations company, returned to the black, following several quarters of disappointing performance. Mr Sorrell said the company ought to see its margins improve markedly from the current 3 per cent. Looking ahead, Mr Sorrell

said prospects were good for the rest of 1996 but that he continued to have doubts about 1997, after the US presidential election and in the run-up to the general election in the UK. WPP stood to gain from the trend towards the awarding of advertising accounts to big firms at the expense of the middle market.

Investment Column, page 18

Microsoft gives Apple a bite of the action

DAVID USBORNE
New York

In a remarkable departure from traditional business strategy, Microsoft has begun offering a discreet helping hand to software writers developing Internet programs for its old enemy, Apple Computers.

Microsoft has quietly set up a special unit of experts familiar with Apple's Macintosh operating system to oversee the project at a location in San Jose, California, just a few miles from Apple's corporate headquarters in Cupertino. About 60 people will work at the new division.

Given Microsoft's historical rivalry with Apple, the initiative seems baffling. But the company wants to help keep Apple alive because without it Microsoft believes it would be vulnerable to new anti-competitive inquiries by the federal government.

Under the leadership of its new chief executive, Gilbert Amelio, Apple has tried this year to reverse a slump in its fortunes, marked by unprecedented losses and a rapid erosion in its world market share. Exploiting the Internet is the cornerstone of the rescue effort.

The new Microsoft unit, the existence of which only surfaced at a MacWorld trade show last week, even has the authority to offer unconditional grants of up to \$100,000 to software writers producing Internet programs exclusively for the Mac system. In the meantime, Microsoft, founded by Bill Gates, has dropped the traditional requirement that software writers linked to the company should always write programs for its own Windows system when also engaged on projects for Apple.

Writers can now develop programs aimed solely for the

Mac system. The change in attitude says as much about the new confidence of Microsoft - which has changed tack to focus on the Internet - as about the parlous state of Apple. Windows is now the operating system used on about 80 per cent of all personal computers in the world. But Apple has seen its own market share dive into single digits.

Don Bradford, a Macintosh developer who is running the new Microsoft unit, has been quoted as saying that his mission is to "help make sure that Apple's market share stays between 8 and 11 per cent."

Mr Bradford recently admitted to the *Wall Street Journal* that worries about pressure from competition regulators in the government may be behind Microsoft's move. He added that Microsoft could not "forget the Justice Department".

Inspectors revolt against plans to close tax offices

ROGER TRAPP

The union representing tax inspectors and Inland Revenue staff yesterday launched a national campaign against plans to close up to 100 local tax offices.

The Public Services, Tax and Commerce Union (PTC) claimed that the proposed programme of closures threatened taxpayers and the lawyers, accountants and other firms advising them with severe cuts in services at a time when the introduction of self-assessment was placing a greater burden and responsibility on up to 9 million taxpayers.

It said that almost all the offices earmarked for closure were in small or medium-sized towns, with many in rural areas. As a result, many taxpayers and their advisers would be faced with travelling great distances for tax advice and

information. In addition, the approximately 70 staff in each office would face either redeployment or redundancy.

The union, which has already been protesting locally over the issue, added that the Revenue had yesterday announced the closure of a pioneering helpline to save money, despite the service being enormously successful.

The Revenue said that the Norwich-based telephone helpline was always envisaged as a pilot exercise and was being shut simply because its year of operation had been completed. It confirmed PTC claims that the helpline had received up to 600 calls a day and said that the information gained about the numbers of callers, types of query and the special training required by staff would be of great use when other special services, such as

those to assist with self-assessment were set up in the coming months.

The proposals for shutting the local offices form part of a rolling programme to restructure the network that started in 1993 and is due to run until 2002. The programme stems from the greater integration of the Revenue's assessment and collection roles made possible by new technology.

A Revenue spokesman stressed that a decision had not yet been reached, though it is understood that submissions made by regional directors will be considered and decided upon next month.

The Chartered Institute of Taxation said it was concerned that some members not working for large firms might be affected by the plans and said it was keeping the situation under review.

media marketing sales

A 4 page section covering all the latest news for media, marketing and sales professionals with pages of new positions on offer.

See pages 20 - 23 section two

To book your advertisement call James Cooper on 0171 293 2301

Every Tuesday in

THE INDEPENDENT section two

STOCK MARKETS						
FT-SE 100	Dow Jones	Nikkei	Hang Seng	Hong Kong	Frankfurt	Source: FT Information
3803.30	-7.40	-0.2	3657.10	3632.30	4.11	
FTSE 250	4331.90	+7.40	4588.80	4015.30	3.48	
FTSE 350	1905.10	-2.20	1946.40	1816.60	3.97	
FT Small Cap	2122.90	+1.80	2244.36	1964.06	3.12	
FT All Share	1682.95	-1.91	1824.17	1791.95	3.91	
New York	5653.20	-28.11	5778.00	5032.94	2.21	
Tokyo	20666.80	+118.55	22668.80	19734.70	0.77	
London	11181.88	+77.85	11594.99	10204.87	3.47	
Frankfurt	2528.18	+2.54	2583.49	2253.36	1.81	

INTEREST RATES						
Short sterling	UK medium gilt	US long bond	3 Month Euro	6 Month Euro	12 Month Euro	Source: Reuters
5.75	4.25	7.12	3.75	4.25	4.75	
5.75	4.25	7.12	3.75	4.25	4.75	
5.75	4.25	7.12	3.75	4.25	4.75	
5.75	4.25	7.12	3.75	4.25	4.75	
5.75	4.25	7.12	3.75	4.25	4.75	
5.75	4.25	7.12	3.75	4.25	4.75	

CURRENCIES						
£/\$	£/DM	£/¥	DM/\$	DM/¥	\$/¥	Source: Reuters
1.5519	1.5519	1.5519	1.5519	1.5519	1.5519	
1.5519	1.5519	1.5519	1.5519	1.5519	1.5519	
1.5519	1.5519	1.5519	1.5519	1.5519	1.5519	
1.5519	1.5519	1.5519	1.5519	1.5519	1.5519	
1.5519	1.5519	1.5519	1.5519	1.5519	1.5519	
1.5519	1.5519	1.5519	1.5519	1.5519	1.5519	

1.50 من الاجل



If you want to roll in bonuses – pay more tax

COMMENT

If Labour is serious about curbing boardroom excess, it faces difficult choices. Shareholder pressure is never going to provide a complete answer when those running the investment institutions are so highly paid themselves.

Labour's energetic environment working itself into a frenzy on all kinds of things, but when it comes to the pay of water bosses he turns almost apologetic. Yesterday was no exception, as he revealed his latest "research" showing water executives swimming in a £20m pay bonanza. "The privatised water bosses are shameless in their greed," thundered a Labour press release. But 20 pages and a lot of suitably outrageous statistics later, Mr Dobson was no nearer to saying what he, or indeed Labour as a whole, would do to curb boardroom excess.

In fact, this document did not advance a single suggestion or policy initiative, despite an election being, at most, months away. Mr Dobson also had little to say about the failings of the Greenbury code – which itself seems to have had virtually no impact on the upwards march of top rates of pay. One of the code's few obvious advances is to make top pay more transparent, providing Mr Dobson and others with the ammunition they need. Yet it's already clear that you cannot shame executives into paying themselves less.

Labour's one definite policy for the utilities – a windfall profits tax – would raise revenue, but it would have no direct impact on pay. If Labour is serious about curbing boardroom excess, it faces difficult choices. Shareholder pressure is never going to provide a complete answer when those running the investment institutions are so highly paid themselves. Some kind of statutory control

on pay, perhaps with the involvement of regulators, would also be a non-starter given Labour's passionate embrace of free market economics.

Which leaves higher taxes for higher earners as the only realistic alternative. If utility bosses want to roll around in cash and bonus shares, they should pay more tax, it's as simple as that. It may not raise much for the public purse (increasing the top rate of tax to 60 per cent for those earning more than £100,000 would only bring in an extra £1bn, and things fall off sharply if the income threshold is higher), but it might correct the problem.

Can we expect such an obvious solution to become Labour policy? Er...well, we in "New Labour" don't want to damage the aspirational middle classes, you understand, nor do we want to penalise genuine entrepreneurial success with new high-band tax rates for the super rich. Until Mr Dobson can come up with some decent proposals, his comments carry no more weight than the rantings of the local pub bore.

Linking those cables could shake up Sky

When it comes to consolidation for the fledgling cable industry, the question is not so much whether or when. We have seen the first stirrings, in the form of Telewest's acquisition of SBC CableComms

last year, and the auction (long delayed) of Videotron's UK holdings, which should be decided in the next few weeks, if not days.

But the big one is yet to come – the merger of the first and second companies in the market, Telewest and Nynex CableComms. It is really an open secret that a merger has been under discussion for some months, slowed down by the drawn out marriage vows of Nynex's parent in the US with Bell Atlantic, and the prickly personality of Alan Michels, the outgoing Telewest chief.

There is now only one obstacle. It involves Telewest's parent companies, US West and TCI International. Both are keen to maintain their presence in the UK cable market and each wants to find a way of engineering a merger without losing the ability to consolidate their shareholdings in the parent company accounts.

Does all this consolidation make sense? Probably. At the start, the only way to encourage the building of expensive cable networks (likely to be worth £10bn when completed at the end of the decade) was to have lots and lots of players – US telephone companies and European utility giants among them. Now, the real challenge is to develop efficient operations and a better marketing strategy. Both goals would be served by consolidation.

Cable, once it is in the ground, is about billing systems, technical support, marketing and customer service. Having bigger companies helps spread the operating costs around, as

the water and electricity companies have already begun to prove. Even better for the prospects of a competitive economy, big cable operators might be able to afford to create or buy programming to compete with Rupert Murdoch's near-monopoly, his pay-TV giant, BSkyB.

In any case, consolidation of this industry would not be anti-competitive because, under the cable franchise system, there is no choice of operator. Your address dictates your supplier. Efficient and robust cable companies might actually compete more effectively with the main rivals – BT for telephony and Sky for pay-TV – and that can only be good for the customer.

City treads carefully towards floated hotels

Operating with clockwork efficiency, Dieter Bock is not just meeting the target dates for Lönrho's dismemberment but beating them by a handsome margin. At this rate, Tiny Rowland's disparate empire will have been neatly packaged up and sold off by November and he will have more than accomplished the job he took on three years ago in very different circumstances.

He is right to be pressing ahead with such urgency. The approach of the general election is bound to take the edge off the market's appetite for new equity and the buoyancy of the hotel industry cannot last for

ever. As it is, the market is treating the company's plans with no more enthusiasm than it has already shown this year for Hanson's urge to demerge.

Breaking up is meant to create value for shareholders as companies bow to the market's demand for "focus". Unfortunately, the evidence so far is that the end of the conglomerate is actually accelerating the City's distrust of these companies.

The 21 per cent decline in Lönrho's share price this year to 171p is a harsh assessment of the company's progress to date and yesterday's uptick was a pretty grudging nod of approval in the light of analysts' estimates of a break-up value of perhaps 226p. The estimated proceeds of the sale of the hotels will more than wipe out what advisers have called the £500m hole in Lönrho's balance sheet and turn it from a heavy cash drain into something rather more enticing to investors. So why the uncertainty?

The flotation is well-timed and gives investors exposure to the sort of pure hotel play that vanished when Granada acquired Forte earlier in the year. With an equal split between the UK and US markets, both of which are booming at the moment, a good price is in prospect. The problem lies not with Lönrho itself but with Mr Bock's 18 per cent stake, which he has the right to sell to Anglo-American for 180p. Mr Bock should confirm on the record that he has no intention of exercising his put option which has come to act like a ceiling on the share price.

Recs blow a fuse as US predator finds new target

CHRIS GODSMARK
Business Correspondent

Takeover speculation surrounding the regional electricity companies was dampened yesterday after Houston Industries, one of the big US utility companies to be tipped as a potential predator, announced an agreed £2.5bn deal to buy a US gas supplier.

The news led to a sharp drop in the shares of the five UK regional electricity firms which remain independent. East Midlands Electricity, which has been at the centre of recent bid rumours with Houston mentioned as a possible buyer, fell 8p to 595p. Yorkshire Electricity shares dropped 12p to close the day at 72 1/2p, while London Electricity shed 8p to 64p.

It is the second time in two weeks that US utility firms have in effect ruled themselves out of bidding for British regional electricity companies.

Last week Dominion Resources, the parent company of Virginia Electric and Power, was reportedly blocked from bidding for East Midlands by US regulators.

Houston, which owns the

Houston Lighting and Power Company and is the US's ninth-largest electricity company by sales, said it had signed an agreement to buy NorAm Energy, a Houston-based supplier of natural gas.

The deal, which requires approval from shareholders and regulators, would create a combined gas and electricity utility worth around \$9bn with almost 4 million customers. NorAm is the third-biggest natural gas supplier in the US.

Analysts suggested the Houston deal, which should be completed by next March, greatly reduced the chances of the company buying a British utility. A buyer for East Midlands, which is widely considered to be one of the most efficient regional electricity firms, would probably have to pay around £1.5bn. Adam Forsyth, an electricity analyst with NatWest Markets, said: "It certainly makes it less likely that Houston will do something in the UK. There are still other US utility firms around who could launch takeover bids, but I've felt for perhaps a month that the chances are receding."

Houston last year launched a

joint bid for Norweb, the regional electricity firm in the North-west of England, with Central and South West Corporation of Dallas. But the ambitions of the two firms, who made the bid as Texas Energy Partners, were thwarted when Norweb eventually succumbed to a hostile £1.8bn bid from North West Water, to form United Utilities. Bid speculation later linked Houston with London Electricity, while Central and South West went on to take over Seaboard.

Apart from Seaboard, two other UK regional electricity firms have been acquired by US companies: Sweb by the Southern Company of Atlanta, and Midlands by Avon Energy Partners, a combination of General Public Utilities of New Jersey and Ohio-based Cinergy.

Houston's chairman, Don Jordan, said the takeover of NorAm would enable the combined group to offer customers bundled electricity and gas products as the two markets converged. "This acquisition will substantially strengthen Houston Industries' strategic position given these rapid changes in the industry."



Feeling the squeeze: The NYSE is looking for a larger home Photograph: Edward Webb

NYSE to ring changes with a new address

The famous Greek-columned monolith that has been home to the New York Stock Exchange on the corner of Wall Street and Broad Street in downtown Manhattan for 93 years may soon be echoing to the sounds of pushchairs and exercise machines instead of the ring of the bell that opens and closes trading sessions, writes David Osborne.

Plans that came to light for the first time yesterday envisage the departure of the NYSE to a new and more modern facility and the redevelopment of its existing home into an upmarket condominium complex.

The NYSE has reportedly concluded that the building, constructed in 1903 by the architect George Post, is too small and too dilapidated to adequately serve its needs into the next century. Recently, there has been a sudden spurt in growth in the NYSE's membership and its trading volume.

It does not appear, however, that the NYSE would consider moving out of Manhattan or of its historical financial district. A decision to locate elsewhere, for instance in New Jersey, would be a body-blow to New York, which was recently forced to offer generous incentives to persuade the cotton and cocoa

exchanges to build new offices in the city.

Instead, discussions have already begun on identifying a new site for the exchange within the district's bounds. Among those approached is Donald Trump, the development mogul, who is proposing to back a new exchange building on two piers south of the South Street Seaport. The ever-ambitious Mr Trump is also proposing to build the world's tallest tower as part of the same development.

Fran Reiter, New York's deputy mayor for economic development, confirmed the NYSE's thinking to the *New York Post*. "They need more space. We've told them that we will endeavour to help them in any way we can," Andrew Yemma, spokesman for the NYSE, said that the exchange was in "the early stages of examining several possibilities".

Another possible site for the new exchange could be at 2 Broadway, where a virtually empty office tower, recently auctioned to a Russian *emigre*, stands. Any such large construction project could provide a considerable economic boost to the area, which has been burdened in recent years by an exodus of firms.

IN BRIEF

- Western Resources boosted its stake in London-listed ADT in a move that may foreshadow an attempt to block Republic Industries planned acquisition of North America's largest electronic security company. Kansas-based Western increased its holding to 24.0 per cent from 23.1 per cent, according to a filing with the Securities and Exchange Commission. Western said soon after Republic's offer for Bermuda-based ADT last month that it might oppose the transaction, leading to speculation that Western also covets ADT.
- "From our standpoint, (ADT) provides a natural growth strategy," George Norpoint, a Western Resources spokesman, said. He declined to elaborate beyond the company's SEC filing, which said the company is "still considering its options" on the Republic and ADT agreement.
- A spokesman for Republic, which is controlled by billionaire H. Wayne Huizenga, declined to comment as did ADT. Republic, which has interests in waste disposal, electronic security and used-car superstores, plans to buy ADT for \$3.98bn in stock and as-cash superstores. The combined companies would have 1.6 million security customers and estimated sales next year of \$3 billion. ADT's shares fell \$5/8 to \$19 5/8 on the news. They have traded as high as \$22 7/8 since the merger announcement (Bloomberg).
- Bayer, the German chemicals giant, said six months to June pre-tax profit climbed 13.4 per cent to DM2.72bn from DM2.40bn a year earlier. Net profit in the half rose 15.9 per cent to DM1.55bn. The company's sales of DM24.80bn, up 7 per cent on a year earlier. The company reiterated that it expects full-year sales to climb 6 per cent and pre-tax profit to rise 10 per cent from last year's levels. In 1995, Bayer reported net profit of DM2.42bn and DM 4.18bn at the pre-tax level.
- Henkel, the German detergents group, said group pre-tax profit climbed 5 per cent to DM3.97m in the six months to June from DM3.78m a year earlier. Sales climbed 13.1 per cent to DM8.04bn, largely as a result of the first-time consolidation of the majority stake in cosmetics maker Hans Schwarzkopf, which Henkel acquired from Hoechst. "In view of the economic outlook for the quarter from Hoechst, we are confident we will be able to meet our sales and earnings targets for the whole year," Henkel said.
- John Menzies has acquired Heathcote books, the book wholesaler subsidiary of WH Smith for an undisclosed sum. Menzies has conducted the deal through Total Home Entertainment, its books, video and multimedia wholesaling division.
- Bridon said it has sold its marine division to The Rope Company, parent company of Marlow Ropes, for an initial consideration of £4.7 million. Bridon marine manufactures and distributes fibre ropes, buoys and other flotation equipment.
- Singapore's economy grew by only 7 per cent in the second quarter of 1996 compared to 9.2 per cent during that period last year, due to falling demand for electronics goods worldwide. The growth in the gross domestic product was by 6 per cent for the quarter since 1992, when the economy grew by 6 per cent for the first time. The Ministry of Trade and Industry said the slackening of electronics sector rubbed off on the manufacturing sector, which grew by 6.3 per cent in the second quarter compared to 13.9 per cent in the first quarter. The total GDP growth in the first three months of this year was 10.9 per cent.

Threatened strike by pilots costs BAA £10m

CHRIS GODSMARK
Business Correspondent

The threatened all-out strike by British Airways pilots contributed to a fall in passenger numbers at Heathrow last month, according to the airport's operator, BAA.

The company, which operates Heathrow, Gatwick and Stansted, estimated that, compared with July last year, 75,000 fewer passengers used its airports last month because of the planned industrial action.

The strike was to have begun in the second week in July, but was called off after the pilots' union reached agreement with British Airways management. The disruption has reportedly cost the company £10m. BAA said that worried passengers had re-booked to travel through

Amsterdam and Frankfurt.

Some 5.3 million passengers used Heathrow last month, a fall of 0.3 per cent over the previous year. But discounting the impact of the strike, and the fact that July this year included four rather than five weekends, volumes at Heathrow would have risen by 1.5 per cent.

BAA said Heathrow was also depressed by British Airways' policy-shift away from offering many heavily discounted seats. BAA's research director Stan Maiden said: "Scheduled airlines are recognising that they can make more money by raising their incomes, rather than putting on extra capacity, which they have to sell at a discount. We expect this situation to continue through August."

A drop in charter passengers has taken its toll on traditional

package holiday airports, such as Glasgow and Gatwick. There was a 14.6 per cent fall in charter passengers as tour operators cut capacity to try to repair battered profit margins after a series of damaging price wars. Glasgow Airport was worst hit, with passenger numbers falling by 7.4 per cent.

Overall, BAA's passenger volume rose by 1.3 per cent to 9.7 million. The biggest increase was at Stansted, with a 17 per cent rise in July to half a million. Travel to the Irish Republic was the main factor, helped by new Aer Lingus services at the airport.

BAA said that at Gatwick there was 54 per cent more seat capacity to Ireland than in July last year. Mr Maiden said: "In terms of the Republic, there is a lot of positive feedback from British travellers."

Franc under renewed pressure

The French franc came under renewed selling pressure on the foreign exchange markets yesterday, weakened by comments from the Bundesbank's chief economist, Otmar Issing, that German interest rates are unlikely to come down in the short term.

In late trading the franc slipped to 3.4263 to the mark, against 3.4202 on Friday when the currency was hit by growing concern over European monetary union and speculation about a rift between President Jacques Chirac and the Bank of France.

Rob Hayward, chief economist at BankAmerica in London, said comments by Mr Issing had sown more doubts about a cut in German rates and given a further boost to the mark.

The German central bank official told *Die Welt* newspaper that structural problems in the German economy could not be solved just by a cut in rates, while recent data hinted at stronger second quarter growth than most analysts had expected.

Paribas currency analyst Andy Chaveriat said that with little else to focus on, and with many of the larger players not looking to get involved in the market during the August holiday period, short-term traders have decided to push the French currency lower.

"So far the franc has held above support at 3.4225. However, if this breaks, then there's little further support this side of 3.4340," Mr Chaveriat said. The franc will probably come under pressure again in the run up to the government's presentation of its 1997 budget, he added.

Goeltz quits NatWest for top post at Amex in US

JOHN WILLCOCK

Richard Goeltz yesterday resigned as chief financial officer of NatWest Bank to return to his native United States as vice-chairman of American Express, the credit card company. He will start his new job in September.

Mr Goeltz, 53, joined NatWest in February 1992 from Seaman, the entertainment conglomerate, in New York.

He arrived at a time when the bank was suffering badly from the effects of recession in the UK. Its American retail arm, NatWest Bancorp, lost over £150m in the two years to 1992 while the UK high street operation lost over £100m in that year alone.

Mr Goeltz's tenure has seen the American arm move back to profit and sold off for £2.3bn, while the UK side has also recovered strongly.

NatWest Markets, the investment banking arm formerly known as County NatWest, was threatened with closure by the bank about the time Mr Goeltz arrived. Under new chief executive Martin Owen it now forms a main plank of the group's expansion plans.

Lord Alexander, chairman of NatWest, paid tribute to Mr Goeltz's role in rebuilding the group's fortunes in a difficult period. "I would like to thank Richard for his valued contribution to the group over the past four years."

At American Express Mr Goeltz will replace Michael Monaco, who quit in April following a dispute with his boss, executive chairman Harvey Golub, over the assignments of several senior people.

Mr Goeltz will report to Mr Golub, who said the company had broadened the finance director's role to include serving as a member of the chief executive's office.

That means Mr Goeltz will share responsibility with vice-chairman Ken Chennault, Jon Linsen and Chuck Farr for reviewing business strategies and handling issues that affect more than one business unit, Mr Golub said.

Diary, page 18

CHRONOMAT

AVAILABLE FROM SELECTED JEWELLERS
THROUGHOUT GREAT BRITAIN AND IRELAND.
FOR YOUR NEAREST STOCKIST
TELEPHONE 0171 637 5167.

BREITLING SA, P.O. Box 1132,
CHAM, SWITZERLAND - 2540 GRENCHEN
Tel: 41 65 / 51 11 31. Fax: 41 65 / 53 10 09

INSTRUMENTS
FOR PROFESSIONALS

American upheavals tarnish S&N

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Smith & Nephew, the Elastoplast to bone replacement group, is nothing if not predictable. The shares surged earlier this year on hopes the company was moving into more exciting areas of the healthcare market. But, after peaking at 213p, they have since fallen back as the realisation grew that the group will continue to be dominated by its mundane spread of businesses.

Yesterday's interim figures, bang in line with market expectations, underlined that view. The 26 per cent growth in stated profits to £91.9m in the six months to 29 June was more like 5 per cent when the figures are adjusted for the effect of exchange rates, disposals and acquisitions, of which there were three last year.

S&N has a good franchise in some of the more esoteric areas of the US market, but it is in its transatlantic operations that S&N also continues to suffer. Big mergers amongst hospital groups, such as Hospital Corporation of America and Columbia, the creation of buying co-operatives or healthcare management organisations by big corporate customers and the formation of purchasing alliances by smaller hospitals continue to put pressure on prices.

The British group remains particularly vulnerable to this upheaval. The US remains by far its biggest market, taking 41 per cent of half-year sales, of which around 60 per cent are made to big groups.

Part of the recent weakness in the shares was on the back of poor figures from US competitors. As it happened, S&N suffered a 3 per cent price fall in the US in the latest period, twice last year's rate, but did well to more than make that up with a 4 per cent volume increase, helping, with cost savings, to maintain margins.

The group is cautiously suggesting prices could soon start moving in the right direction and argues that as a big global group it should benefit from this rationalisation in the long run. But it concedes it could be another couple of years before the US market is out of the woods.

Meanwhile, the potential of Dermagraft, a skin graft product, and other biotech ventures will take a while to be realised. Sales of anywhere between \$200m and \$500m for the diabetic ulcer market by early next century would transform the group, particularly as new products currently enjoy a 5- to 10-point margin advantage over existing lines. But selling the benefits and educating the market could take longer than with traditional products.

Short-term interest is therefore likely to centre on takeover prospects both by and of the company. With cash firepower of up to £500m, and the potential to issue shares over and above, S&N is plainly capable of raising its world ranking from five, or six to number three. On a prospective price/earnings ratio of 16 at 1995

(forecast profits of £190m this year, rising to £202m next) last year's speculation that the company would be taken out looks to be fully in the price. One to tuck away.

WPP set to win Sorrell his bonus

Martin Sorrell's bet that he could drive the WPP share price hard enough to activate his lucrative share option package is poised to be won, thanks to yet another strong set of results yesterday.

The shares are just 9p shy of 230p needed to give Mr Sorrell his second tranche of shares, while the first target of 198p has held nearly long enough to put him in the money. Supporters of such long-term incentives will have gone along for the ride, seeing their shares rise about 120p when the pay deal was reached last June to 221p yesterday, up 7p on the day.

If the company continues its present run, the 304p upper target, by 1995, is eminently achievable, giving Mr Sorrell a whopping £25m. But that would mean WPP would be worth about £2.2bn, compared with just under £1.6bn today.

Whether that is fair justification for paying anyone such a mind-boggling sum is a moot point, but it is hard to fault the internal logic of the scheme. Mr Sorrell is at least being rewarded for overseeing a massive increase in shareholder value, which is what he is employed to do.

Yesterday's results for the six months to June saw profits jump 40 per cent to £58m, on revenues ahead 10 per cent to £833m. The gains came from new accounts, always a reassuring thing for an advertising company, but also from Mr Sorrell's incessant cost-cutting, suggesting that new business won in the future could find its way more easily to the bottom line. The target of 10 per cent margins, set by Mr Sorrell last year, was easily achieved, which also bodes well for the future.

Even more impressive was the return to profitability of Hill & Knowlton, the public relations arm, which has long been a source of concern for WPP shareholders. Most analysts had not expected the improvement to come so quickly.

WPP is one of those companies that perhaps ought not to be quoted at all. Its prospects are wholly tied up with its highly mobile creative staff, and the assets leave the building every night. But the market for advertising (WPP owns Ogilvy & Mather and J Walker Thompson) looks like having a good

run this year and next, while market research, in which WPP has a leading reputation, can be highly profitable in periods of good economic growth.

Certainly the City expects continuing good fortune, with full-year pre-tax profits likely to hit £155m, or 13p a share, implying a multiple of 17. Next year, the expectations are for £186m of profit, or 15.4p a share and a p/e of 14. Still good value.

Education boom benefits BPP

BPP Holdings, the educational and publishing group, is benefiting from the boom in professional qualifications. With the educational market becoming increasingly complex and with seemingly every other college turning itself into a university, professional qualifications are gaining in stature.

Add to this, growth in business courses in areas such as derivatives and BPP is in a very strong position. As the market leader in helping white collar workers and students pass exams through its college courses and textbooks, growth in professional recruitment is good news. It is a leading training provider for certified and management accountancy course and has recently expanded into law, medicine and the City.

The favourable market conditions helped lift BPP's profits by more than 10 per cent to £24m in the six months to the end of June, on sales up from £38m to £57m. The Delta Educational publishing business has been boosted by the national tests for 11- and 14-year-olds, though the Blackstone key publishing division hit a dull retail market. In professional training, new courses have been introduced and the company has training centres in Luton, Reading and Southampton. One of the most encouraging signs of these results was the improved performance of the language training division, Englishmark, restored to profit last year following disposals in Japan. Sales were up strongly at the interim stage though the German centre in Russia is not yet in profit.

The weak link this half was academic education where profits were flat. Much will depend on enrolments in the new academic year which starts in September and October, but BPP appears in good shape. The shares have risen from 178p two years ago to 383p, unchanged yesterday. With full-year profits of £9.4m expected if they trade on a forward rating of 17, that is not cheap compared with expected earnings growth over the next two years of only 10 or 11 per cent a year and the shares look to have enjoyed the best of their run.

Bankers' body replaces panels with open plan

CITY DIARY

JOHN WILLCOCK



So convenient: Sir Brian Pittman (left) with banking chums

ineffably dull briefings on EMU and the like.

So Ant Wiedersehen then, Richard Karl Goeltz, the finance director who came into NatWest Bank at its nadir four years ago, and leaves Lord Alexander's ship as it looks in better shape than ever.

The Chartered Institute's boardroom upstairs has a series of giant murals depicting the "arts and industries" of Great Britain, as well as stained glass, all made at about the time of the Festival of Britain in 1953, and all in a similar austere style. The Museum of London is interested in saving them. Counts, the top-drawer private bank now owned by NatWest, will probably end up occupying most of the building. The best thing about the murals was that they were something to look at during the BBAs.

Mr Goeltz is returning to his native America to take up a juicy appointment at American Express, where he will be vice-chairman as well as keeping the accounts in order.

The 53-year-old pipe-smoking, Latin-quoting financier plunged into London life with gusto when he arrived. He became a governor of the Sadler's Wells Foundation, just as the north London opera house was embarking on an expensive rebuilding programme. He also had time to join the slightly less bohemian Accounting Standards Board.

The finance whiz is also of German ancestry, as his name suggests, and is a director of the New Germany Fund, set up to help the process of east-west reunification.

Mr Goeltz will still be busy back in New York, where he sits on a committee at the Federal Reserve Bank. He is also an "overseer" of Columbia Business School in Manhattan, where he did his MBA.

But will Mr Goeltz still be allowed to smoke his beloved pipe in the hyper-health-conscious US?

What no self-respecting Archbishop should be without: the church of St Edward the Confessor in Dinghous, York, carried an advert in its latest parish magazine for the St Edward pen, priced at £2.50. It is a high quality, twist-action ballpoint pen in burgundy with gold trim and lettering.

God trim, eh? Verily, the mind boggles. They meant "gold trim", of course.

As Peter White, the larger than life chief executive of Alliance & Leicester Building Society, prepares to convert the Society to plc status, he has recruited a high-profile director of strategic marketing from DMB&B. Tim Pile, 43, began his career at an advertising agency DMB&B in 1974 and moved to pr agency Davis Robinson in 1989 as managing director, advertising. All this should suit Mr White, one of the more publicity conscious of the animal heads. Mr Pile will take up his job in Leicester next autumn, with the priority being to unify marketing for three divisions: personal financial services, direct financial services and corporate banking. Mr White will remain in his delightful offices overlooking Hyde Park in London.

Trafalgar is costly for Kvaerner

MAGNUS GRIMOND

The Norwegian conglomerate Kvaerner yesterday blamed this year's £904m acquisition of Trafalgar House, the British shipping to engineering group, for a crash in first-half profits.

The purchase, which made Kvaerner the world's largest shipbuilder, helped to more than halve the pre-tax profits from Nkr1.6bn (£161m) to Nkr706m (£71.3m) in the six months to June.

Chief executive Erik Toenseth admitted the figures were disappointing, but said: "We're believing in better results for the second half of the year." The results, though, would be strongly affected by the rate of non-core asset disposals, he added. Kvaerner has already sold some of the Trafalgar House assets, but others, such as troubled cruise company Cimard, are still for sale.

Mr Toenseth said there were "sound reasons" for optimism

that the company's objectives would be achieved. Action had been taken to co-ordinate "business streams". He said: "We aim to be the global leader in engineering and construction."

Kvaerner's construction unit has been hit by heavy competition in the UK market which has offset profits overseas, particularly in Hong Kong. There were also deficits in mechanical engineering and Cunard.

But other areas of the former Trafalgar House empire were brighter. Kvaerner John Brown, the process plant engineering business on the Clyde, had profits of Nkr15m (£1.5m) for the two months of ownership while the order backlog stood at Nkr10.5bn (£1.1bn). There were also positive results from Trafalgar House's offshore activities, and Kvaerner Davy, the metals plant construction group, which chipped in Nkr34m (£3.4m).

On Friday, Kvaerner won the latest round in its industrial spy



Erik Toenseth: optimism based on co-ordinating business

case involving Kvaerner Davy. The High Court in London threw out an attempt by VAI, an Austrian group, to lift an order (known as Anton Pillar) that had allowed Kvaerner to seize

documents from VAI's UK headquarters. Kvaerner claims that VAI and former Davy chief executive Roy Tazzyman had illegally obtained secret information from the subsidiary.

Daimler's cars are driving up profits

ELISABETH KLEIN

The dark days seem to be over for Daimler-Benz, Germany's biggest industrial group. After reporting a disastrous DM5.7bn (£2.5bn) loss in 1995, the maker of luxury Mercedes cars is heading for net profits of about DM2bn this year, according to the German news magazine *Der Spiegel*. "We will report a profit for the first half of 1996," said Daimler spokesman Roland Klein.

According to *Der Spiegel*, Daimler made a first-half net profit of DM700m and expects to make more than DM1bn for the second half. The group reports interim results on 29 August.

Since taking over as chief executive last year, Juergen Schrepp has instigated a radical restructuring programme. "We shed the two biggest loss-making units - Fokker (the Dutch aircraft maker) and AEG (electrical goods) - and cut the number of our divisions down to 25," said Mr Klein.

While the group's troubled Daimler-Benz Aerospace operations will report a loss of DM500m this year, the Mercedes-Benz car division is performing well. Mercedes expects to produce record output of more than 650,000 cars in 1996. But commercial vehicle sales in Europe are sluggish. The trucks division is expected to show losses of about DM600m.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
BPP (1)	38.3m (30.2m)	4.6m (4.1m)	10.5p (9.4p)	4p (3.6p)
Cantab Pharmaceuticals (1)	-	3.7m (3.5m)	-0.34p (-0.39p)	-
Daimler (1)	83.1m (77m)	2.4m (2.1m)	1.0p (0.9p)	nil (nil)
Henderson Adams (1)	-	5.8m (4.1m)	15.31p (12.66p)	nil (nil)
London Plc & Interest (1)	-	0.13m (0.21m)	0.4p (0.55p)	nil (nil)
London Industrial (1)	4.01m (3.08m)	1.2m (0.9m)	0.0p (-0.01p)	nil (nil)
S&N (1)	5.6m (5.8m)	-0.12m (-)	1.13p (-1.03p)	nil (nil)
Smith & Nephew (1)	540m (503m)	92.8m (85.3m)	5.88p (5.49p)	2.25p (2.16p)
WPP (1)	-	68.1m (48.5m)	6.8p (4.8p)	0.55p (0.44p)

(1) = Fiscal (1) = interim (1) = Nine months

Gifts
were all
made and
given

Assume nothing -
but expect some pleasant surprises! A monthly American Express statement not only tells you what you've spent, but also carries special offers your spending has earned - things like savings at exclusive hotels, or a free bottle of wine with your meal at a local restaurant, or even 15% off your next raincoat. There are literally hundreds of offers available each month. We only select the ones most suited to you, and print them right on the statement. So every month, you could be getting something special from us, simply by spending on the Card.

To find out how we can help you do more call:
0800 700767

Cards

Dangers behind the good news on house prices

Every few days some new data emerges showing the two completely different pictures of the inflationary outlook that are now facing the UK. On the one hand current inflation - that is the price of goods and services, whether measured at a wholesale or a retail level - is flat or declining. On the other hand asset inflation - measured by house prices, commercial property or share prices - is looking pretty good.

Yesterday the news was flat on the wholesale price, which dipped from 2.5 per cent to 2.2 per cent in July. The market was taking this as a sign that the next set of retail price increases will be encouraging. This is going to go on. We are going to have good news on inflation at both the retail and the wholesale level for some months more. Virtually all the forecasters consistently over-estimated the level of inflation for the last three years, and there is no reason to suppose that there is any change in sight.

In fact the figures will soon look even better. Over the last 18 months the headline rate of inflation has fallen steadily, as the left-hand graph shows. Though so far the more representative measures, excluding mortgage interest payments and VAT on other taxes, have failed to make a corresponding decline, expect these too to come down in the coming months.

But this run of good news on current inflation will be set against a parallel string of stories about rising house prices. By the end of this year some forecasters, most notably Stephen Bell at Deutsche Morgan Grenfell, reckon that house price inflation will be running at 8 per cent



ECONOMIC VIEW HAMISH MCRAE

a year. As he argued at the weekend in an article in the *Independent on Sunday*, there is more to come: by the end of next year price increases could be running at 10 per cent in the South-east. The sudden spurt of house prices this year is shown in the right-hand graph.

That is only one form of asset price: UK share prices this year (in contrast to those on Wall Street and most Continental markets) have not performed particularly well. But

Asset price inflation gives resources to the 'haves' at the expense of the 'have nots'

house prices in the UK are a particularly important component of personal wealth, and in any case if one takes a three-year view of UK share prices there has been considerable asset inflation there too.

This divergent movement of the two sorts of price raises a string of questions. The first is: does it matter? An obvious reason why it might is the danger that asset price inflation will lead across to create current inflation. In the UK in the past it has done so, with the mechanism being the additional demand created by strong house prices: partly equity take-out, partly purchase of consumer durables, partly simply the confidence that a rise in wealth creates. So asset in-

flation adds to demand, which in turn puts pressure on prices. Up to now virtually all the discussion about the dangers of asset inflation has been in these terms: leakage from one, supposedly benign form of inflation to another more malignant manifestation. A less obvious reason why it might matter is the social and asset implications of a rise in asset prices. At a personal level, asset price inflation gives resources to the

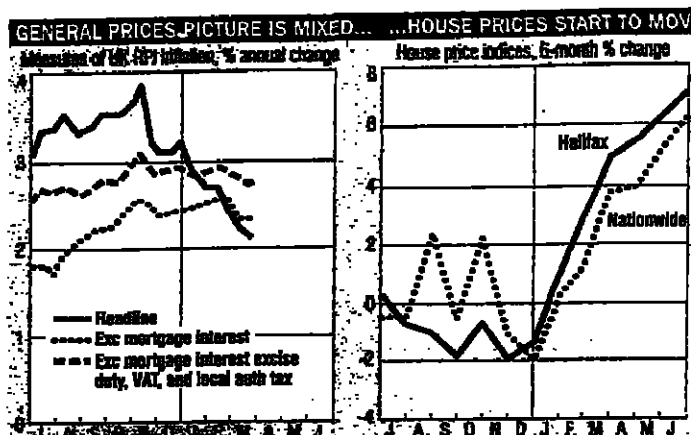
'haves' at the expense of the 'have nots'. Or, maybe, the prospect of inheritance, the 'have nots'. Rising house prices obviously benefit those who have already bought houses at the expense of first-time buyers. But they also have an inter-generational effect: they benefit the old at the expense of the young. Higher pensions (resulting from better performance of pension funds assets) are an inter-generational transfer, from young to old, from workers to non-workers.

A further effect of a rise in asset values is that, to some extent at least, this process adds to industrial costs, and benefits established companies at the expense of new ones. If office and industrial land costs rise, it is the

fastest companies which benefit most - those with spare assets they can sell. So there is not just an inter-generational transfer between people; there is also an inter-generational transfer between companies, and arguably at least, a transfer from efficient companies (i.e. those without spare assets) to less efficient ones.

Even worse than this, asset inflation may encourage poor investment decisions. We still think of investment as money put into physical entities: factories, office blocks, plant and machinery, computer systems. We do not think of it as trading of securities, improving the quality of service, or building a loyal customer base. But in the long term property of many businesses, investment in intangibles like this is becoming much more important than building a new plant. The trouble with asset inflation is that it encourages investment in the wrong sort of things: office blocks which the investor hopes will go up in value rather than improved customer relations which will, more slowly, increase profits.

The argument which is seldom made is the case for lower asset prices. Virtually all the discussion about the fall in house prices which took place in the UK has been in terms of the impact on those with negative equity. There has been far less attention paid to the benefit to young people who have found new homes more affordable than for a generation. Virtually all the discussion about the collapse of commercial property values has been on the negative impact on the lending banks, rather than the creation of cheap factory and office accommodation for new businesses - not that the banks with negative equi-



GENERAL PRICES (PICTURE IS MIXED) HOUSE PRICES (START TO MOVE)
House price index, 1994-1996
House price index, 1994-1996



Going up: Price rises could soon be at 8 per cent a year or more

ty on their investments have attracted as much sympathy as homeowners in the same plight.

But in any real sense asset inflation is almost as corrosive as current inflation. You can see this best by looking at societies which have experienced asset booms, the best example perhaps being Japan. There, the juxtaposition of zero current inflation and inflated property prices has greatly prolonged the recession: only now, four or five years after the rest of the world, is Japan back in growth.

To say all this is not to claim that the UK faces the same scale of problem. Clearly it does not. Rather it is to say that, first, we should be just as worried about a surge in house and/or share prices as a rise in current inflation. Second, the leakage of one form of inflation into the other may be the less important facet of the problem than the distorting impact of higher asset prices. And third, asset price inflation has grave social and economic consequences which are frequently overlooked.

In the coming months there will be a string of 'good news' stories, particularly related to house prices. Fewer and fewer people will be in negative equity; housing activity will rise; people will feel richer. There will be very few stories about the effect rising house prices are having on people not yet on the housing ladder, and fewer still about the inefficiencies as companies invest in physical assets rather than human ones. Welcome the good news on the retail price index, while it lasts; but take with a pinch of salt any 'good' news on the price of property, and just who is benefitting and who is being disadvantaged by it.

Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot
US	1.5939	7.5	15.12	1000	0.5778
UK	1.5939	7.5	15.12	1000	0.5778
Germany	2.2835	48.41	140.37	28.26	84.81
France	78.940	132.13	365.334	50.480	73.66
Italy	235.19	48.63	142.86	51.49	127.25
Japan	169.95	75.70	225.278	107.7	44.44
ECU	1.2208	15.1	45.40	127.8	7.8
Belgium	47.220	12.7	32.25	107.7	44.44
Netherlands	85.933	15.1	45.40	127.8	7.8
Denmark	2.6938	15.1	45.40	127.8	7.8
Norway	0.821	7.3	20.14	107.7	44.44
Sweden	0.9253	12.50	31.200	107.7	44.44
Switzerland	0.821	7.3	20.14	107.7	44.44
Australia	1.9957	20.31	67.85	128.65	19.21
Hong Kong	1.0205	17.61	52.740	72.80	2.12
Malaysia	3.6801	0.0	0.0	2.4525	4.14
New Zealand	2.2932	43.57	130.52	30.52	89.00
Saudi Arabia	5.0268	0.0	0.0	2.5425	2.7
Singapore	2.1949	0.0	0.0	1.443	41.30

Other Spot Rates

Country	Sterling	Dollar
Argentina	12504	0.0087
Australia	1.9957	0.5778
Brazil	15707	0.0018
Canada	1.2208	0.5778
China	8.2683	0.0012
France	78.940	0.0127
Germany	2.2835	0.0044
Greece	366.588	0.0027
India	35.9478	0.0293
Kuwait	0.4946	0.0029

Forward rates quoted low to high are at a discount; rates quoted high to low are at a premium.

*Dollar rates quoted as reciprocals.

For the latest foreign exchange rates call 0801 923 9233.

Cable cost 36p per minute (cheap rate) 45p other times.

Interest Rates

UK	Germany	US	Japan
Base	5.75%	Discount	5.75%
Prime	6.00%	Discount	5.75%
Overnight	3.50%	Discount	5.75%
3-month	5.00%	Discount	5.75%
6-month	5.00%	Discount	5.75%
12-month	5.00%	Discount	5.75%

Bond Yields

Country	1yr yield %	3yr yield %	5yr yield %	10yr yield %
UK	7.1%	7.2%	7.4%	7.8%
US	6.1%	6.2%	6.4%	6.8%
Germany	5.6%	5.7%	5.9%	6.3%
France	5.4%	5.5%	5.7%	6.1%
Japan	5.4%	5.5%	5.7%	6.1%

Money Market Rates

	Overnight	7 Day
Interbank	5 6 1/4	5 1/2 5 3/4
Sterling CDs	-	-
Local Authority Deps	5 1/4	5 1/2
Discount Market Deps	5 1/4	5 1/2
Treasury Bills (Buy)	-	-
Dollar CDs	-	-
ECU Linked Dep	-	-

Tourist Rates

2 Buys	12 Buys	12 Buys
Australia (Dollars)	1.9957	0.5778
Canada (Dollars)	1.2208	0.5778
France (Francs)	78.940	0.0127
Germany (Marks)	2.2835	0.0044
Italy (Lira)	235.19	0.0004
Japan (Yen)	169.95	0.0074
UK (Sterling)	1.5939	0.5778
US (Dollars)	1.5939	0.5778

Life Financial Futures

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Life FTSE Index Options

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Energy

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Commodity Indices

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Industrial Metals

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Precious Metals

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Agricultural

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Other Softs

Contract	Settlement	High/Low	Estimate	Open
Long Call	10.30	10.30	10.30	10.30
Short Call	10.30	10.30	10.30	10.30
Long Put	10.30	10.30	10.30	10.30
Short Put	10.30	10.30	10.30	10.30

Latest Unit Trust Prices

Latest Unit Trust Prices															
Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5
AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939	1.5939	7.5	AXA Equity & Low Unit Trust Managers	1.5939						

market report/shares

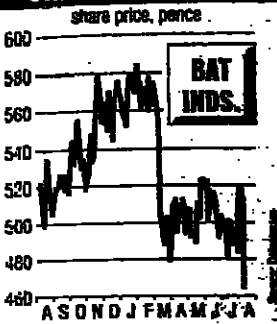
Payout on judgment day leaves BAT at low for year

TAKING STOCK

DATA BANK

FT-SE 100
3803.3 - 7.4
FT-SE 250
4331.9 + 7.4
FT-SE 350
1905.1 - 2.2
SEAQ VOLUME
465.3m shares,
31,046 bargains
Gilt Index
93.46 + 0.28

SHARE SPOTLIGHT



BAT Industries, the tobacco giant, suffered the predictable battering following the unexpected US court ruling awarding a lung cancer sufferer \$750,000 damages.

The shares crashed 8.8 per cent to 464p, lowest for more than a year. Yet around a quarter of the fall had nothing at all to do with the US judgment. The tobacco giant went ex-dividend which wiped 12.5p from the price before a share was traded.

Even so BAT finished at its lowest of the day, reflecting the stock market's unease about the US verdict.

There are undoubted worries that the setback could, with BAT facing more than 200 such cases, open the floodgates with the tobacco industry finding it difficult to contain the legal turmoil.

The only other case that the tobacco barons lost was subsequently overturned on ap-

peal. And BAT is clearly confident it will emerge victorious when its appeal against the latest ruling is heard.

But the legal setback will undermine sentiment and must prolong the tortuous battle between the cigarette makers and cancer sufferers. It must also strengthen the case for BAT to rejoin the demerger trend, floating off its financial services group, leaving the tobacco operations to stand and fight alone. After all, it embraced the demerger culture when, after the failed Sir James Goldsmith-inspired bid, it hived off its Anglo Wiggins Ap-pleton paper side and the Argos stores business.

BAT was not the only blue chip to suffer from dividend payments. Seven FT-SE shares went ex-dividend, wiping almost 11 points from Footsie. Biggest fall was the responsibility of Glaxo Wellcome accounting



MARKET REPORT

DEREK PAIN

Stock market reporter of the year

for 3.9 points; BAT's cut was 2.3 points.

But for the dividend stripping, Footsie would have achieved a modest gain. In the event, it fell 7.4 points to 3,803.3. The supporting FT-SE 250 index gained 7.4 to 4,331.9, its ninth gain on the trot.

The reappearance of lower interest rates helped sentiment, particularly among retailers.

Electricities were discom-forted by a Houston Industries takeover strike. Unfortunately, the Americans, seen as the big candidate to launch a bid for a UK group, have looked elsewhere, paying \$2.4bn for NorAm, a resource group.

So old takeover faithfuls

East Midlands Electricity fused 12p to 593p and Yorkshire Electricity 12p to 727p. National Grid also failed to generate much enthusiasm, at least until towards the close. At one time the shares were down 5.5p to a new low.

Fears Professor Stephen Littlechild, the industry regulator, will today produce tough new controls did the damage. But then some investors took the view the fall had been overdone and the shares ended with a 1p gain at 175.5p.

British Gas fell 4p to 198.5p although Ofgas proposals, due later this week, are expected to be much less draconian than at one time seemed likely.

Takeover talk returned to lift Pearson 13p to 660p and J Sainsbury's US ambitions and its increased UK market share produced a 4p gain to 399p. New issue Somerfield gave up 2p to 157p.

Grand Metropolitan, 5.5p firmer at 456p, edged towards its year's high. The shares were awakened by the Guinness takeover fiasco which appears to have concentrated attention on the vulnerability of the food and drink group. There have long been rumours of a leveraged bid; if one should appear it could prompt the food and drink demerger Grandmet admits that it has considered.

After a long, ragged reverse Autovox, the gearbox designer moved into higher gear on talk of an investment proposal. The shares rose 15p to 65p. South Placard, a maker of materials testing machinery, had the distinction of produc-

ing the opposite of a profit warning; results, it said, would be better than expected. The shares scored the day's best gain, up 36 per cent to 45p. Chemical Design made an impressive AIM debut. Placed by stockbroker Durlacher at 110p, the shares closed at 133p.

Eness, the lighting and fire protection group, firmed to 34p following a 9 per cent trading profit gain and a move to remove the drag of the group's preference shares.

Full redemption of the preference, issued to fund acquisitions in 1988, would cost £60m. The group has made them irredeemable and lowered the conversion from 128p to 55p; the price gained 5.25p to 80.5p.

Yorkshire Foods produced an after-hours statement saying it knew of no reason for a 7p gain to 72p. And to rub salt into the buying it forecast lower second-half profits.

Tom Cobleigh, the pubs chain where the big shareholder is looking for the exit, gained 15p to 223p. European Acquisition Capital, which backed the group when it was launched, has appointed Hambros to handle the sale of its 50 per cent interest. A trade sale or a placing among institutions are the options being considered.

SkyNet, the Ofex wonder share, has postponed its move to AIM, due this week, as the Securities and Futures Authority probes, in an "informal review", dealings in its shares. After June's introduction the price surged from 27.5p to 275p. There has been comment about possible share sales and the ownership of the group's vehicle tracking system has been questioned. SkyNet had planned to raise £2m in a 250p placing.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: Ex rights x Ex-dividend x Ex all or Unlisted Securities Market x Suspended x Partly Paid pm M Paid Shares x AM Stock

The Independent Index

The Index allows you to access real-time share prices by phone from Bank, simply dial 0800 123 333, followed by the 4-digit code printed next to each share. To access the latest financial reports of 0800 123 333 followed by one of the two-digit codes below.

FT-SE 100 - Real-time	00	Starting Rates	04	Privatisation Issues	38
UK Stock Market Report	01	Bullion Report	05	Water Shares	39
UK Company News	02	Wall St Report	06	Electricity Shares	40
Foreign Exchange	03	Tokyo Market	07	High Street Banks	41

Anyone with a tone-dial telephone can use this service. For a detailed description of the Independent Index, including its portfolio facility, phone 0800 123 333. For assistance, call our helpline 071 575 4375 (9.30am - 5.30pm).

Call cost 30p per minute (cheap rate), and 40p at all other times. Call charges include VAT.

Market leaders: Top 20 volumes

Share	Volume	Share	Volume	Share	Volume
BP	220,000	WPP	50,000	British Steel	30,000
British Gas	100,000	General Elec	40,000	Barclays	30,000
BT	80,000	Bank of Scotland	40,000	ASDA Group	30,000
Harmon	60,000	Lloyds TSB	40,000	British Telecom	30,000
LUZ	50,000	BTI	40,000	BT	30,000

FT-SE 100 Index hour by hour

Time	Index	Time	Index	Time	Index
Open	3796.4 down 14.3	11.00	3809.9 down 0.8	15.00	3803.3 down 4.2
09.00	3793.9 down 17.1	12.00	3809.9 down 0.8	16.00	3803.3 down 4.2
10.00	3804.8 down 5.9	13.00	3807.2 down 3.5	Close	3803.3 down 7.4

Alcoholic Beverages

Share	Price	Change	Volume
Guinness	45.00	+0.50	10,000
Heavenly Bodies	12.00	+0.20	5,000
W & A	15.00	+0.10	8,000

Banks, Merchant

Share	Price	Change	Volume
Barclays	30.00	+0.50	15,000
Bank of Scotland	40.00	+0.20	12,000
HSBC	50.00	+0.10	10,000

Chemicals

Share	Price	Change	Volume
ICI	120.00	+1.00	5,000
BP Chemicals	80.00	+0.50	10,000
Shell Chemicals	60.00	+0.20	8,000

Engineering Vehicles

Share	Price	Change	Volume
BAE Systems	150.00	+2.00	10,000
Rolls Royce	180.00	+1.50	8,000
BAE Dynamics	100.00	+0.50	12,000

Food Manufacturers

Share	Price	Change	Volume
Unilever	110.00	+0.50	15,000
Glaxo Wellcome	198.50	-4.00	10,000
British Food	80.00	+0.20	8,000

Household Goods

Share	Price	Change	Volume
Debenhams	120.00	+0.50	10,000
Next	150.00	+1.00	12,000
Primark	80.00	+0.20	8,000

Investment Companies

Share	Price	Change	Volume
Investec	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Services	80.00	+0.10	12,000

Leisure & Hotels

Share	Price	Change	Volume
First Choice	150.00	+1.00	10,000
First Choice Holidays	120.00	+0.50	8,000
First Choice Cruises	100.00	+0.20	12,000

Life Assurance

Share	Price	Change	Volume
Prudential	120.00	+0.50	10,000
Prudential Assurance	100.00	+0.20	8,000
Prudential Life	80.00	+0.10	12,000

Media

Share	Price	Change	Volume
News Corp	150.00	+1.00	10,000
News International	120.00	+0.50	8,000
News Group	100.00	+0.20	12,000

Oil Exploration

Share	Price	Change	Volume
BP	120.00	+0.50	10,000
BP Exploration	100.00	+0.20	8,000
BP Energy	80.00	+0.10	12,000

Oil Integrated

Share	Price	Change	Volume
BP	120.00	+0.50	10,000
BP Integrated	100.00	+0.20	8,000
BP Oil	80.00	+0.10	12,000

Other Financial

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Pharmaceuticals

Share	Price	Change	Volume
Glaxo Wellcome	198.50	-4.00	10,000
Glaxo Pharmaceuticals	180.00	-3.50	8,000
Glaxo Health	160.00	-3.00	12,000

Printing & Paper

Share	Price	Change	Volume
News Corp	150.00	+1.00	10,000
News International	120.00	+0.50	8,000
News Group	100.00	+0.20	12,000

Retailers, General

Share	Price	Change	Volume
Debenhams	120.00	+0.50	10,000
Next	150.00	+1.00	12,000
Primark	80.00	+0.20	8,000

Retailers, Food

Share	Price	Change	Volume
ASDA Group	30.00	+0.50	10,000
ASDA Food	25.00	+0.20	8,000
ASDA Groceries	20.00	+0.10	12,000

Retailers, Textiles & Apparel

Share	Price	Change	Volume
Next	150.00	+1.00	12,000
Primark	80.00	+0.20	8,000
Debenhams	120.00	+0.50	10,000

Retailers, Telecommunications

Share	Price	Change	Volume
British Telecom	120.00	+0.50	10,000
British Telecom Services	100.00	+0.20	8,000
British Telecom Networks	80.00	+0.10	12,000

Retailers, Transport

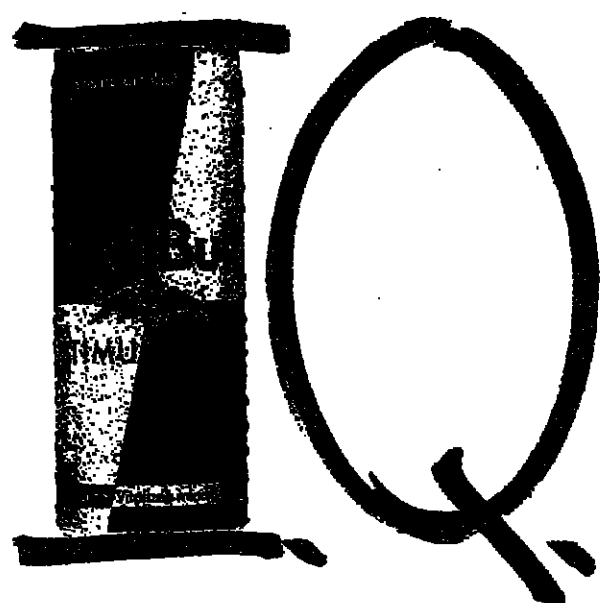
Share	Price	Change	Volume
First Choice	150.00	+1.00	10,000
First Choice Holidays	120.00	+0.50	8,000
First Choice Cruises	100.00	+0.20	12,000

Rights Issues

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Recent Issues

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000



Government Securities

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Index-linked

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Shorts

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Mediums

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Longs

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Support Services

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Support Services

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Support Services

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Support Services

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

Support Services

Share	Price	Change	Volume
Investment Services	100.00	+0.50	10,000
Investment Trusts	120.00	+0.20	8,000
Investment Companies	80.00	+0.10	12,000

1500 1500

sport

FOOTBALL: Personalities and procedures are downfall of Highbury manager with respectable record. Glenn Moore reports

Rioch at odds with the system



There could not be a star in that, in football, contracts are worthless. Barely a fortnight after Bruce Rioch finally signed his, after a year's vacillating, he is sacked. Quite a reward for taking over a club in turmoil, partially reshaping an ageing team and steering it to a place in Europe and the Coca-Cola Cup semi-finals.

In the event, those achievements mattered not. This dismissal is about personalities and procedure, not performance. Its roots predate Rioch's arrival, being based in the murky relationship between George Graham, Rioch's predecessor, and Rune Hauge, the Norwegian agent. The skulduggery which brought Graham down meant that Rioch took over a job with very different parameters to any of his English counterparts. Transfer negotiations were conducted by the board, not by the manager.

Given the circumstances of Graham's dismissal this was unavoidable, but it does not appear to have worked. Many names were linked with Highbury, but after the initial arrival of Dennis Bergkamp and David Platt, none arrived. Even those two appeared to be overpriced. Platt has been a disappointment while last week Ken Bates, the Chelsea chairman, was quoted as saying he had been offered Bergkamp for more than £2m less than Arsenal paid.

Since then quite a team has been assembled on the back pages of the tabloids - Frank de Boer, Graeme Le Saux, Robert Jarni, Alan Stubbs, Bixente Lizarazu, Jason McAteer, Paul Ince, John Moncur, Lee Bowyer, Tim Sherwood, Gary McAllister, Lee Sharpe,

Zinedane Zidane, Christophe Dugarry, Les Ferdinand, Roberto Mancini, Attilio Lombardo, Jürgen Klinsmann and, last week, George Weah.

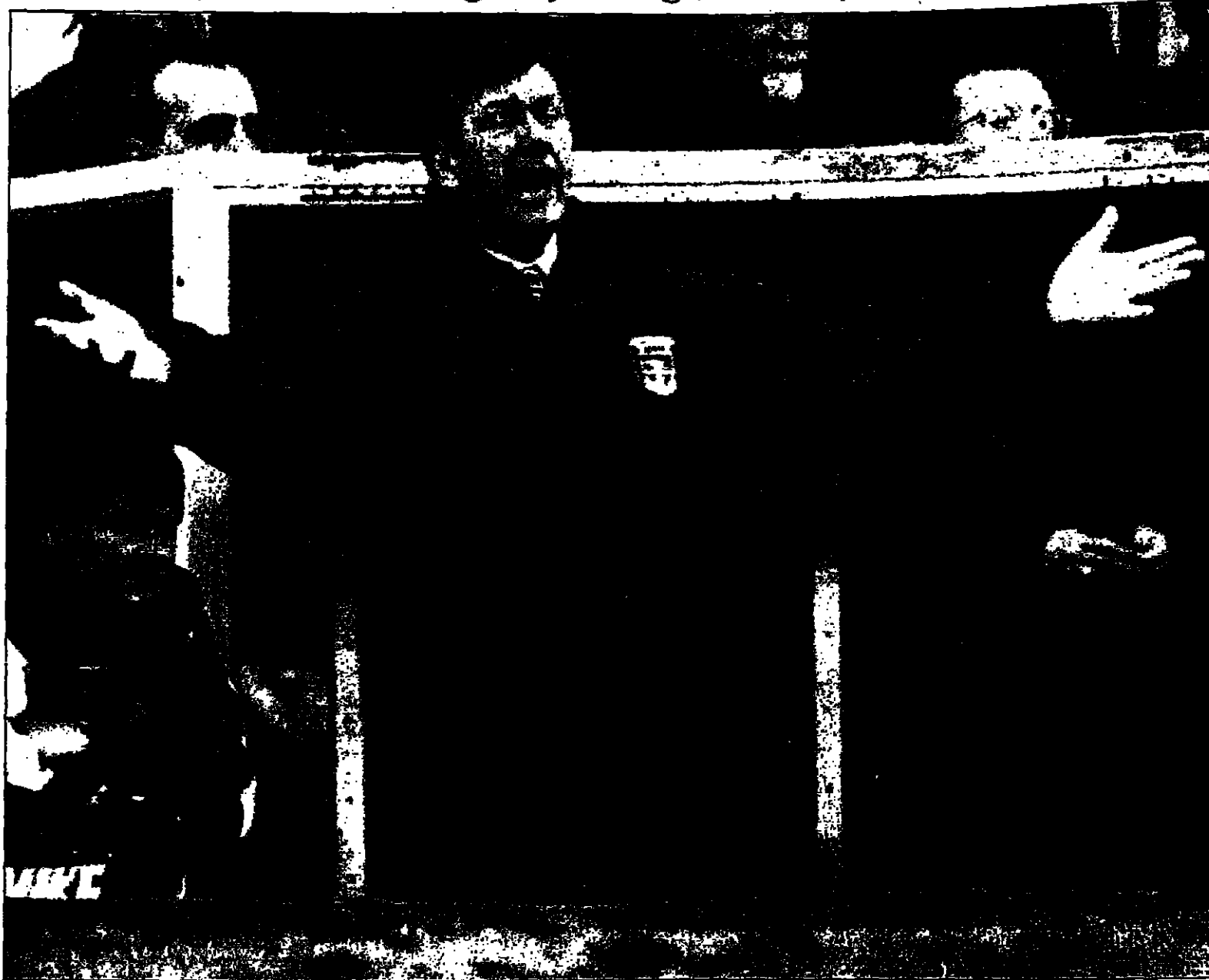
Even if half of these are unfounded speculation, it is still quite a list - everyone except a goalkeeper. However, the only player actually signed was a reserve goalkeeper, John Lukic, on a free transfer from Leeds.

McAllister was offered to Rioch, and rejected, possibly on the grounds of age. Many of the rest were lost in the system, somewhere between Rioch asking the board to try and buy them and the board securing the deal. Rioch occasionally hinted at his unhappiness with the system and matters were not helped by a clash of personalities with David Dein, the Arsenal vice-chairman and the main power at the club.

Dein and Rioch are very different people. Rioch is a believer in moral absolutes, a stern disciplinarian whose code is strongly influenced by his upbringing in a military family. Dein is a smoother figure, a businessman, football politician and socialite. Even under George Graham there were problems over Dein's habit of cultivating friendships with players.

Rioch's own relationship with his players was chequered. He was a great support to Paul Merson as he continued his comeback from alcohol and gambling addiction, but had a difficult time with Ian Wright.

Problems simmered between the pair from the start and they came to a head in a blazing dressing-room row after Arsenal's FA Cup third-round defeat by Sheffield United. Wright later handed in a transfer request, which the board turned down on Rioch's advice. Wright has recently published



Out on his own: Differences of opinion with the board led to Bruce Rioch's dismissal yesterday

Photograph: Peter Luckhurst

his account of the period in a new autobiography.

One of the problems between them was that Arsenal under Graham had become over-dependent on Wright's ability to snaffle goals from long-ball football. Rioch attempted to update that style, introducing short passing and making Bergkamp the focus of the team.

To an extent it worked - Arsenal were regularly more attractive than in Graham's later years. Attendances rose to an average 37,568, the third best in the country. But too many players were being asked to change

old habits and, too often, the team fell between styles.

Arsenal had begun better than expected, despite waiting seven games for Bergkamp to score. For a while they looked as if they might be contenders, defeating Manchester United and being in the first three in December. But the old failing, a lack of midfield creativity, handicapped the side. Then both Tony Adams and Steve Bould, for years the defensive bedrock, suffered serious injury. February's Coca-Cola Cup defeat by Aston Villa ended

dreams of glory, although two late goals - from Platt and Bergkamp - secured a European place in the final game.

The opponents that day were Bolton, the club Rioch had forsaken to go to Highbury. Although he had left Bolton, Bolton never quite left Rioch - his habit of holding Bolton's more limited players up as examples to Arsenal's self-confident stars was not one to endear him to the likes of Wright. Neither could he recreate Bolton's family atmosphere, despite encouraging players to mix socially.

In the wake of his departure, some Arsenal fans have suggested Rioch was not "big enough" for Arsenal, that perhaps a club like Bolton is his level. Yet he won twice as many Scotland caps as Graham, captaining them in a World Cup and winning a championship medal with Derby. Wimbledon have shown that even in the capital it is possible to build a family atmosphere if the players are willing. Maybe Rioch took too long to discover which Arsenal players would not adapt. Or maybe not - he could hardly off-load them until he bought replace-

ments. He was big enough for Arsenal, and hard enough, but he was not enough of a politician. That is not something that could be said of one of the candidates for the vacancy, Johan Cruyff, who conducted a running battle with the equally strong-willed Barcelona board before finally being manoeuvred out last season. Terry Venables, now installed at Portsmouth, would not have taken kindly to interference from the board, not after his experiences at Tottenham. For Arsenal, it seems, the crisis may only just have started.

BRUCE RIOCH: FROM ALDERSHOT TO ARSENAL

If I had stopped only twice, I might have made a stronger challenge

If told in advance that I was going to finish second in Sunday's Hungarian Grand Prix, regardless of what I did, then I feel confident that I would have been satisfied that I finished in the best way possible by crossing the line less than a second behind my team mate, Jacques Villeneuve.

In order to achieve that result, I had to use every ounce of energy and strategy I had in me throughout the one hour and 46 minutes race.

I was pleased with my drive. The car drove beautifully throughout the 77 laps and, by placing first and second in Hungary, Jacques and I secured this year's constructors' championship for the Rothmans Williams-Renault team.

The entire team has worked at an unrelenting pace this season and deserve nothing less than to win this award. They have organised the season superbly and the equipment has been fantastic. I cannot praise them highly enough.

This eighth constructors' title, which equals Ferrari's record number of championships, will lift the spirits of the team to an even higher plane for the final four races.

All that remains to be resolved this season, then, is the drivers' championship, which we know now will definitely go

to a Williams driver. Jacques is not going to give me any respite between now and the end of the season and, of course, I'm not about to surrender my lead without a fierce fight similar to the one we had on Sunday.

The one item I have to attend to is my starts. There is no question that the first few seconds of the race in Hungary proved very costly.

Bad starts have caused me problems in three races this year. I will be testing in Barcelona this week and most of my attention will be focused on improving that part of the equation; there is no question that starting is the weak link in an otherwise excellent package.

Sunday's race was a typical Hungarian Grand Prix, in that overtaking was almost impossible. After my bad start, I found myself in fourth place, stuck behind the Benetton of Jean Alesi. I was capable of going two seconds a lap faster but I was simply unable to pass on such a tight and twisting circuit.

I found myself stuck behind him for the first 20 laps. On that basis, I was going to make just two pit stops. When Alesi pulled in, I made the most of a clear track ahead of me to try to pull out some time on the Benetton so that once my pit



DAMON HILL

stop was complete, I could come out ahead of him.

But, to my dismay, when I rejoined after my pit stop, he just squeezed ahead of me and I was horrified to face the prospect of being trapped behind him for another 20-lap stint. I reckoned I would be lucky if I finished third at that rate of going.

My only hope was that Alesi could be pressured into a mistake somewhere down the line. It came just after he passed a back-marker. Alesi went off the racing line on the pit straight, got dirt all over his tyres and, at the next corner, he slid wide and I managed to nip through on the inside.

Immediately, I was able to lap much faster and push harder in pursuit of Michael Schumacher's Ferrari and Jacques,

who was in the lead, about 30 seconds ahead of me.

At that point, I thought I was still on a two-stop strategy, but then it turned out that I would be stopping three times. I assumed the team made the change in strategy because they were looking for ways of helping me get ahead of the Ferrari but, as I write, it is difficult for me to say exactly why the plan was altered.

After the race, I had to leave the circuit straight away to catch a flight to Bulgaria, so I did not get a chance to discuss the race in detail. I tend to think that, had I only stopped twice and therefore not spent that extra 30 seconds in the pits, I might have been able to make an even better challenge for the lead.

Regardless of that, I drove as hard as I could and I was able to cut down the gap to Schumacher. That was my main objective because, at the time, I thought I had very little chance of getting near Jacques. I caught the Ferrari and, as soon as Michael had made his third and final stop, I was able to lap much faster during the six laps before my stop and I pulled out enough to jump him in the pits.

Now I had a clear track and I set off in pursuit of Jacques. I was within striking distance

with about six laps to go. Despite the pressure, he did a good job and he was able to hold on to his lead. I was always going to have a hard job finding a way past him on that circuit, so, all in all, I was satisfied because I felt I had driven a great race.

The championship, as a result, is going to be more of a cliffhanger but I'm confident that I can produce more performances similar to Sunday's and to maintain my advantage right to the end of the season in Japan.

I feel I have more in reserve should I need it. The Hungarian Grand Prix is always very tough, but I felt that I could have continued driving at that speed for another 10 laps or more after the race had finished. In fact, I wish it had gone on a bit longer, because I feel I could have pushed Jacques to the point of making a mistake.

The next grand prix is on the fast, wide open expanses of Spa-Francorchamps. The Belgian Grand Prix will be a different proposition entirely but the competition will be just as tough.

The drivers' championship looms, but there's no time for wishful thinking. I aim to continue striving to get on the top step of that podium.

© Damon Hill Grand Prix Ltd

Hill's frustration is world-class

Motor racing
DERICK ALLSOP

Damon Hill goes testing in Barcelona later this week hoping to brush up on his starting technique and perhaps needing to smooth over a few ripples with his team.

The British driver was again sluggish leaving the line in Sunday's Hungarian Grand Prix and had to settle for second place behind his Williams-Renault team-mate, Jacques Villeneuve, a result which narrowed the gap between them in the world championship to just 17 points. Hill could not contain his frustration, questioning his clutch system and his crew's decision to opt for a three-stop strategy when he preferred two.

All this on a day when Williams reaffirmed their pre-eminence in Formula One, and a maximum score in this race completing a record-equaling eighth constructors' championship success. Little wonder the comments of their senior driver had team personnel squirming.

Williams conceded they had to sharpen their act for this season and overall they have undeniably done so, a development acknowledged by Hill during the meeting here. He has criticised them in public before and they did not appreciate it. They are likely to be still less impressed this time.

It has to be said that man management has not been one

of Williams' strongest suits, but then they take the view this is a man's game and they do not go for the arm-around-the-shoulder approach. They are particularly disinclined to embrace whingers. Williams' first world champion, Alan Jones, an Australian as hard as Ayres Rock, was their kind of driver. Keke Rosberg, too. And the ever mischievous Nelson Piquet.

You sense Villeneuve might fall into that category. He is patently not overawed or intimidated in his first season of Formula One. He is cool and confident, yet has no airs or graces; a regular Jacques the lad. He accepts victory and defeat with equal self-restraint: no big deal, no big drama.

The contrast with Hill is glaring. The 35-year-old, sensitive and intelligent, has endeavoured to improve his image and to that end hired a public relations consultant. Over the weekend here, however, he seemed more tense than for some time and his response to questioning betrayed as much. The old persecution complex appeared to have snared him.

It is possible negotiations for a new contract have deepened his anxiety. The grapevine suggests Frank Williams, who has on offer by far the best car, is unwilling to pay Hill more money next season. This latest string of grievances by the championship leader can scarcely serve to strengthen his negotiating position with his boss.

Winning the title may also

have limited influence on Williams. He would interpret that as further proof of the car's superiority. In any case, he is guaranteed the drivers' award already. Whether it goes to Hill or Villeneuve is of scant consequence to him.

Hill's best chance of a rise is to extract it from the team's major sponsor, Rothmans, or their engine partners, Renault, who are keen to have the No 1 on their car next season. If Villeneuve is champion, of course, the problem is solved. The Canadian is under contract for another year.

These considerations and others will exercise Hill's mind this week. He should, above all, remind himself he again proved he was faster than his team-mate here and in fact drove extremely well, pushing hard without ever exposing himself to the ragged edge. He still has a healthy advantage with only four races remaining.

He says he feels he deserves to be champion and at the moment that is so. Seven wins to three testifies to his general command of the duel with Villeneuve. If Hill loses it now he will deserve that fate, too. It would be a capitulation on the scale of Newcastle United's last season.

But that should not come into Hill's thinking. He needs only a clear head, a steady hand on the tiller, and a modicum of circumspection. The goodwill of his team at this stage would not go amiss.

The Final of the NatWest Trophy is only a day away.

Will it be Essex or Surrey that makes it to the final? And will it be the reds or the whites that lift the trophy? The final may only be a day away, but what is it, it's going to be...

NatWest
More than just a bank

National Westminster Bank Plc.

1500

Cruyff is favourite to replace Rioch



Bruce Rioch: Dismissed as Arsenal manager yesterday

Football CLIVE WHITE

Johan Cruyff could be following in his son's footsteps to England, as the new manager of Arsenal following the shock dismissal of Bruce Rioch yesterday. The great Dutchman, whose son, Jordi, has just joined Manchester United, has emerged as the favourite to take control of the Gunners with the start of the season just four days away.

Cruyff, who was replaced this summer as coach at Barcelona by Bobby Robson, has been a regular visitor to Highbury in recent times and

was understood to have been sounded out by a member of the Arsenal board on Monday night. Don Howe, who knows the workings of Arsenal intimately, said last night: "If I had to make a wild guess, I would say that Cruyff is the man."

Within minutes of "releasing" Rioch, Ken Friar, the Arsenal managing director, revealed that the club had already identified a successor and that Peter Hill-Wood, the chairman, would be announcing the new appointment "when he is in a position to do so".

Going Continental may be all the rage, but the name of Cruyff has not been the only world figure who was being linked with the

job last night. Terry Venables, the former England coach, has been approached by Arsenal before and must inevitably be a front runner, even though he started his new role as director of football at Portsmouth yesterday.

Arsenal broke the news of Rioch's departure with a short terse statement which read: "The Board have decided that it was in the best long-term interest of the club that Mr Rioch should now leave."

His demise may have come as a surprise to the public at large, but the gambling fraternity caught wind of it last Saturday morning when bookmakers closed the book on the

Scotsman staying in charge until the end of the season.

Rioch's turbulent 14-month reign was punctuated with run-ins with the board and David Dein, the club's vice-chairman, in particular over the purchase of players. The club had decided to take transfer negotiations out of the hands of their future managers following the involvement of George Graham in the notorious "bungs scandal" last year.

Rioch continued to voice his protest about the arrangement and refused to sign a contract, believed to be for four years, until certain details had been resolved. He finally signed at the start of this month and was

awaiting Arsenal's counter-signature. Terry Neill, a former Arsenal manager, said: "Despite the facade of everything being correct and proper at Arsenal, things have always been done on a nod and a handshake."

Arsenal, who recently announced a financial loss for last season, have been conspicuous by their absence in the transfer market this summer, unlike last year, when the spent £12.25m on two players - the Dutchman Dennis Bergkamp and David Platt, the former England captain. Both signings have had their critics, but Bergkamp at least eventually won over the fans and while the season was less successful than

they have come to expect, the club still managed to qualify for Europe. However, the absence of any signings combined with some disappointing pre-season results had caused supporters considerable disquiet.

Arsenal turned to Rioch last summer after Porto, who was still under contract to the Portuguese club, Rioch had just steered Bolton Wanderers back into the top division with a brand of football which must have sounded like a breath of fresh air to Arsenal fans after the stereotypical - but highly successful - years under Graham's less flamboyant style.

The players, as always, were

the last to know. "It is just unbelievable," Paul Merson said. "We've had some hard friendships and got beaten, but I wouldn't have thought that was anything to go by because it all starts on Saturday. We didn't hear anything. Four or five days before the start of the season? I don't think it's fair on the fans or the players."

It would not be the first time that a Dutchman has been considered for the job as manager at Highbury. Leo Beenhakker, the former Real Madrid coach, once applied for the position, but was rejected. But the climate has changed and Continentals are in vogue.

Glenn Moore, page 22

Highbury exit does not surprise bookies

GREG WOOD

For most football fans, Bruce Rioch's departure from Highbury came as a complete surprise, but at the offices of William Hill, it was the announcement the bookmakers had been anticipating for 48 hours.

At the start of each football season, Hills quote odds on

what has come to be known as the "sack race": which of the Premiership managers will no longer be in charge of their club the following May. Their initial price about Rioch losing his job was 7-1, which, given the volatile nature of football management, implied that he was one of the more secure managers in the Premiership. He had, after all, finally signed a

contract only the previous month.

Throughout last week, though, punters' money begged to differ, and a string of bets forced Hills to cut their odds to 3-1. By Saturday morning, the bookmakers started to suspect that the ink was already dry on Rioch's P45, and that perhaps some backers knew they were betting on a certainty.

"We had had a few nibbles at 7-1, including one bet of £100," Graham Sharpe, Hill's spokesman, said yesterday, "so we thought we'd go 3-1 to be on the safe side, but on Saturday morning, people started wanting £1,000 bets. One request was from a credit punter who has never had a bet bigger than £80 with us in his life, and people went into shops in Swiss Cottage and Olympia at identical times asking for £1,000 on Rioch to go. Someone else had £200 at 2-1 and another £600 at 7-4."

The four-figure stakes were declined - "people don't ask for bets like that unless they think they know something we don't", Sharpe said - and within the hour, Hills had closed the book altogether, an action which implied the question was no longer if Rioch was to leave Highbury, but when.

These well-informed backers - and, no doubt, many others who simply felt that the original 7-1 was too big a price - did not have long to wait for their payoff. The only consolation for William Hill, left £10,000 poorer by the episode, is that if every requested bet had been accepted, the liability would have been 10 times bigger.

'Perhaps it's time for someone else to try'

Any bemusement Arsenal fans may have felt over Bruce Rioch's departure was quickly overshadowed by speculation about his successor at Highbury last night, writes Nick Harris.

"I'm absolutely shocked that they sacked the manager four days before the season started," a season ticket holder said. "But I'm more surprised that they didn't do it a month ago."

His views were echoed by a lot of the fans gathered outside the ground. "It was on the cards really," Tim Cowperthwaite said. "He's taken them to Europe, which is not a bad thing, but he hasn't bought anyone and he's done nothing to strengthen the team. Perhaps it is time for someone else to have a go."

Alex Austin, another season ticket holder was less unequivocal about Rioch's departure. "It's good that he's gone. He hasn't been buying any players. He's been arguing with Ian Wright and putting him off his

game. It's out of order. Kenny Dalglish should come here now and sort it out."

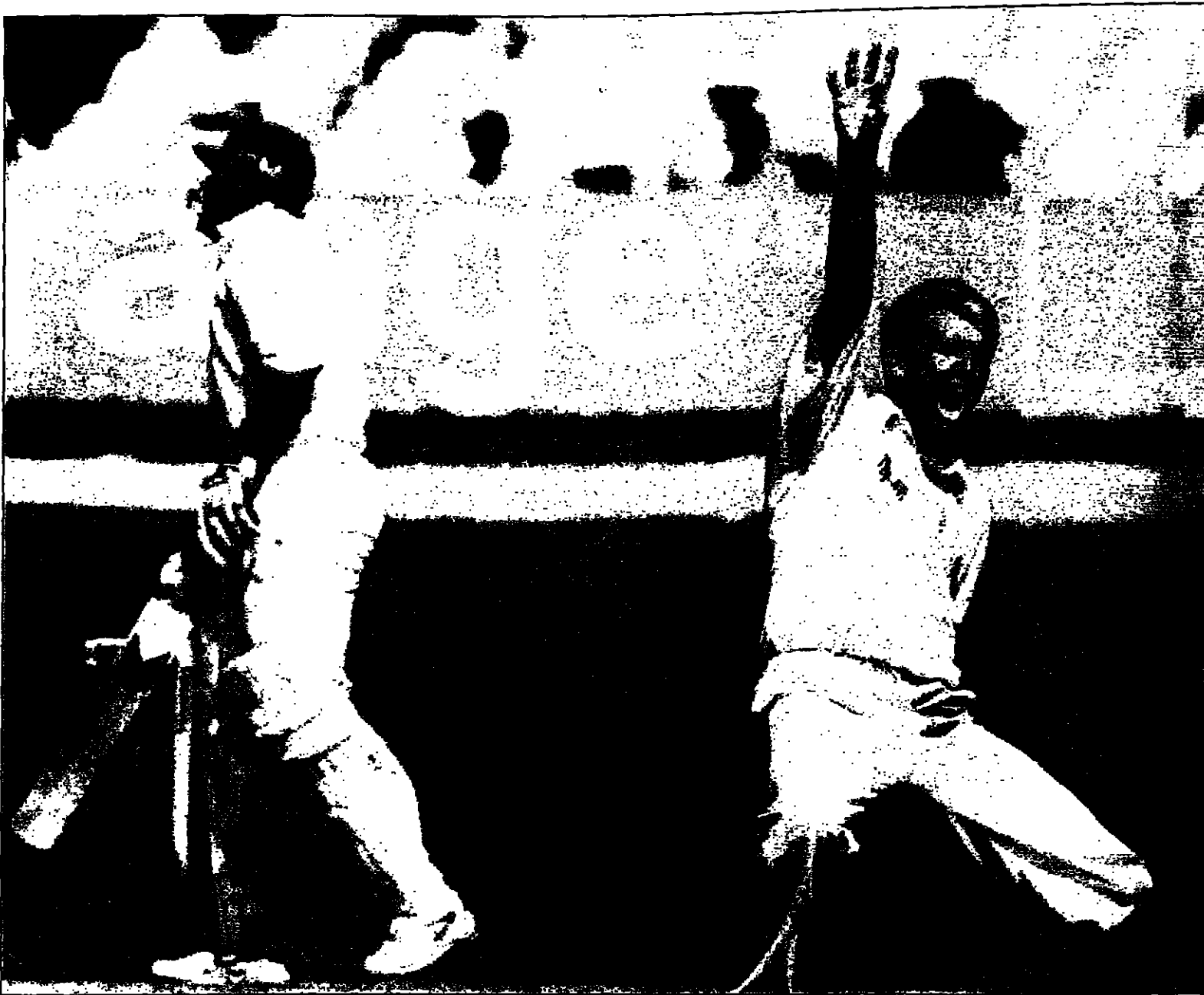
But it was not Kenny Dalglish that most people were talking about yesterday as Rioch's successor. It was Johan Cruyff.

One source at the ground said that he had had dinner with the club chairman, David Dein, on Sunday evening, and will be announced as manager on Thursday.

Until there is confirmation one way or another about the Dutchman, the main topic of conversation will be Rioch's replacement, rather than the way in which the Scot departed.

"I wasn't too keen on him in the first place," a local builder said. "I thought it was much better when George Graham was here. We've had rumours about Terry Venables but he's gone to Portsmouth, what I'd really like to see is Tony Adams getting the job. He knows about loyalty and he'll be good for the club."

SECOND TEST: Rare wicket for Atherton as seamers find their range too late



Close call: No prizes for enthusiasm as Dominic Cork makes an unsuccessful appeal against Inzamam-ul-Haq yesterday

Photograph: Peter Jay

England draw some solace

DEREK PRINGLE

reports from Headingley
Pakistan 448 & 242-7
England 501
Match drawn

The finest weather of this second Cornhill Test match was saved for the least consequential passage of play, with England's attempt to bowl Pakistan out providing little more in the end than glorified net practice for the players of both sides, once the excitement of early wickets had been stemmed.

Had 31 overs not been lost to rain on Sunday evening, Mike Atherton's men might well have won a remarkable match, though it is never safe to conjecture where England's batsmen and Pakistan's mercurial bowlers are concerned.

What it has proved is that England's bowlers, out of sorts in Pakistan's first innings, have it in them to put this opposition under pressure, despite using Reader balls that are constantly going out of shape. It also proves that Pakistan's batting is far more susceptible to collapse when faced with a deficit (as the visitors were in their second innings) than it is on a moist pitch.

Victory was only a reality shared by the thousand or so spectators who turned up yesterday. As most of those were supporting Pakistan, England's chances were clearly reckoned to be slim. And yet, had Nassir

Hussain held a difficult chance from Ijaz Ahmed at cover point, when the score was 142 for 4 (a lead of 89) with 51 overs to go, England might have found the belief and momentum to win.

Ijaz, realising that something completely different from his swashbuckling century in the first innings was needed to preserve Pakistan's 1-0 lead in this series, sat patiently on his spine. His let-off was the only blip in an otherwise sedate three and a half hour innings of 52, which ended when he gloved an attempted bounce from Andy Caddick.

Earlier, Shadab Kabir, dropped by Graham Thorpe at slip off his first ball, had skied a pull shot off Chris Lewis that the bowler caught in front of the stumps. Saeed Anwar, another made jittery by the demands of occupation, nibbled at

Dominic Cork, the low knee carrying to Jack Russell.

Indeed only Inzamam-ul-Haq, indulged himself by playing his natural game. The bulky batsman is a fine player whose ponderous footwork sometimes gets him into trouble, and although England were lucky to dismiss him here, caught at third man cutting a long-hop, they must persist with a line wide of off-stump that will force him to move his feet.

Caddick was the pick of England's bowlers with 3 for 52, although the late appearance of Mike Atherton's leg-breaks ran him a close second. The dismissal of his Lancashire teammate Wasim Akram - padding away a leg-break - was only his second Test wicket and 50 Tests separate it from his first, taken at The Oval in 1991 when he caught and bowled Dilip Vengsarkar.

It was the operation in 1991

for his chronic back condition that made Atherton give up bowling. He landed the majority of his deliveries, but it is unlikely to be a factor in deciding who will bowl in the final Test in 10 days' time.

All four seamers here have a case for inclusion, the extra bounce at the Oval perhaps suiting the length and style of Caddick, Mullally and Lewis more than Cork, who prefers swing and variable bounce to perform his mischief. Only by playing an extra bowler can any variety be accommodated, which means Russell will once again come under pressure should England look to play a spinner, as well as the six batsmen who played so well as a unit here.

However, England need to win and Alec Stewart will no doubt be persuaded to take the gloves given that it is a one-off, particularly after England's gallant comeback in this Test. In-

deed, having experienced humiliation over their captain's decision to insert Pakistan, England's recovery and subsequent dominance in this game will have provided succour, instead of the widespread disappointment claimed by those who felt the poor showing of England's pace quartet on the first day had cost them the match.

Despite a hint of dampness on the first morning, the pitch was not well grassed enough to expect to bowl a side out for less than 250 - the normal benchmark for putting a team in. However, it was not the brave and ultimately correct move hindsight has, perhaps, shown it to be. Atherton more or less had to field first, the choice of four seamers forced upon him not by the nature of the pitch, but by the absence of a match-winning spinner in the English game.

True, the bowlers did not bowl well and the pitch certainly improved, although this was more a transformation from damp and creased shirtfront ironed flat by intermittent wind and sun, than a snake pit scoured of its serpents.

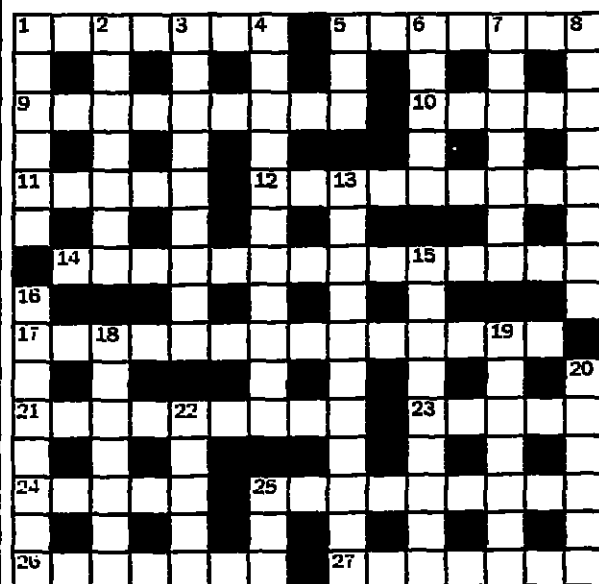
More cricket, page 23

THE INDEPENDENT CROSSWORD

No. 3064, Thursday 13 August

By Aeked

Monday's Solution



DOWN
1 Across
2 Across
3 Across
4 Across
5 Across
6 Across
7 Across
8 Across
9 Across
10 Across
11 Across
12 Across
13 Across
14 Across
15 Across
16 Across
17 Across
18 Across
19 Across
20 Across
21 Across
22 Across
23 Across
24 Across
25 Across
26 Across
27 Across

- ACROSS
1 Inform on one held by senior of luminaries (7)
2 Try a race to secure office worker (7)
3 Dossiers at one's finger tips? (4-5)
4 Brother tethers ancient city donkey (5)
5 Try to get lift in ancient Humber (5)
6 Drug record by man had, in short, upset Erin (9)
7 Corn set to be ruined, row needs putting back in place (14)
8 In case a hobble's used on crossing these might help? (7,7)
9 Job wasn't so demanding? (9)
10 Fashionable territory to provide ground cover? (5)

- DOWN
1 Reason? It takes that to get into US city (6)
2 Cook pie, that's what to do with ham for food lover (7)
3 They're a role at sea and sentence lads soundly (9)
4 Those turning to take off what makes one fleet of foot (6-5)
5 A ship's passengers will include a silly person (3)

er Hussain held a difficult chance from Ijaz Ahmed at cover point, when the score was 142 for 4 (a lead of 89) with 51 overs to go, England might have found the belief and momentum to win.

Ijaz, realising that something completely different from his swashbuckling century in the first innings was needed to preserve Pakistan's 1-0 lead in this series, sat patiently on his spine. His let-off was the only blip in an otherwise sedate three and a half hour innings of 52, which ended when he gloved an attempted bounce from Andy Caddick.

Earlier, Shadab Kabir, dropped by Graham Thorpe at slip off his first ball, had skied a pull shot off Chris Lewis that the bowler caught in front of the stumps. Saeed Anwar, another made jittery by the demands of occupation, nibbled at

Dominic Cork, the low knee carrying to Jack Russell. Indeed only Inzamam-ul-Haq, indulged himself by playing his natural game. The bulky batsman is a fine player whose ponderous footwork sometimes gets him into trouble, and although England were lucky to dismiss him here, caught at third man cutting a long-hop, they must persist with a line wide of off-stump that will force him to move his feet.

Caddick was the pick of England's bowlers with 3 for 52, although the late appearance of Mike Atherton's leg-breaks ran him a close second. The dismissal of his Lancashire teammate Wasim Akram - padding away a leg-break - was only his second Test wicket and 50 Tests separate it from his first, taken at The Oval in 1991 when he caught and bowled Dilip Vengsarkar.

Relax

0800 550 550

join us

RAC

150 ن الاصل